

**ALASKA MUNICIPAL BOND BANK
AUTHORITY
BOARD OF DIRECTOR'S MEETING**

**TO BE HELD AT
Chief Andrew Isaac Health Center
Doyon Board Room
1717 Cowles Street
Fairbanks, Alaska 99701**

**May 5, 2016
9:00 A.M. ADT**





333 Willoughby Avenue, 11th Floor
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AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:

Chief Andrew Isaac Health Center
Doyon Board Room
1717 Cowles Street
Fairbanks, AK 99701

May 5, 2016 at 9:00 a.m. ADT

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the March 29, 2016 Meeting of the Board of Directors
- VI. General Business
 - A. Kenai Peninsula Borough – Resolution 2016-05 Authorizing Direct Loan
 - B. Regional Health Organizations – Administrative Policy
 - C. 2016 MASTER RESOLUTION (No. 2016-03) Regional Health Organizations
 - D. Tanana Chiefs Conference – Loan Application and Analysis
 - E. Series Resolution 2016-04 (2016 Resolution) – Authorizing the Issuance of AMBBA's 2016 Series A
 - F. 2016 Series Two Post Sale Summary
 - G. Executive Directors Report
- VII. Public Comments
- VIII. Board Comments
- IX. Adjournment

Alaska Municipal Bond Bank Authority - Agenda for Board of Director's Meeting

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F. 2016 Series Two Post Sale Summary

G. Executive Directors Report

VII. Public Comments

VIII. Board Comments

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Attachments, History, Details

Attachments

[AMBBA Agenda for Board of Director's Meeting 5.5.16.pdf](#)

Revision History

Created 4/21/2016 3:41:17 PM by CClanz

Details

Department:	Revenue
Category:	Agency Meetings
Sub-Category:	
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	4/21/2016

Archive Date: 5/6/2016

Events/Deadlines:



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MINUTES for the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

March 29, 2016

I. CALL TO ORDER

Mark Pfeffer called the meeting to order at 9:05 AM, Alaska Daylight Time. Members participated at the State of Alaska Office Building, 333 Willoughby Avenue, Juneau, Alaska 99811, and by telephone. Public notice was posted for a meeting at the Chief Andrew Isaac Health Center in Fairbanks, Alaska; however, due to the eruption of Pavlof Volcano and resulting flight cancellations, the on-site meeting had to be conducted telephonically.

II. ROLL CALL

Mark Pfeffer
Michael Lamb
Luke Welles
Pam Leary
Greg Gursey

OTHERS IN ATTENDANCE

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Finance Director, Alaska Municipal Bond Bank
- Chip Pierce, Financial Advisor, Western Financial Group
- Susan Barry, Bond Counsel – AMBBA, Orrick, Herrington & Sutcliffe, LLP
- Angela Trout, Bond Counsel – AMBBA, Orrick, Herrington & Sutcliffe, LLP
- Debbie Brady, CFO, Fairbanks North Star Borough
- David Thompson, BC, FNSB & City of KTN, Stradling YC&R, P.C.

- Eric Whaley, BAML
- Tom Yang, RBC Capital Markets
- Laura Janke, RBC Capital Markets

III. PUBLIC MEETING NOTICE

A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was reviewed for the record. The public notice was officially published on 3/8/2016 on the official Alaska Online Public Notice website.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board and amended to reschedule items D-G for a later date. Subsequent order of agenda items was corrected to incorporate the amendment. The agenda, as amended, was approved unanimously with no objections.

V. MINUTES of the December 15, 2015 Board of Directors Meeting

The December 15, 2015 minutes were reviewed by the board and approved without objection.

VI. GENERAL BUISNESS

Fairbanks North Star Borough – Internal Credit Analysis on Loan Application

Mr. Williams provided an application credit review for the Fairbanks North Star Borough's (FNSB) request for \$63,375,000, which was conducted internally. FNSB would issue pursuant to approved GO bond measures for school capital improvements from October 2011 and October 2013, with approximately \$8.375 million in remaining authority from 2011, and approximately \$55 million in remaining authority from 2013. Mr. Williams mentioned that DEED has approved the Ryan Middle School project for 60% State reimbursement, and the remainder of the projects are at 70% State reimbursement, subject to State of Alaska appropriation. The proposed term of the loan is 20 years, with property tax revenues pledged. The projected annual debt service was estimated at approximately \$4.13 million as of the March 3, 2016 market conditions. With most recent state shared revenues (SSR) of \$143.4 million, this would provide coverage of over 34 times on this loan. Mr. Williams depicted other FNSB long-

term GO debt by fiscal year of approximately \$92.8 million. Ad valorem property taxes make up almost 80% of FNSB's general fund revenue, and has remained in that range for the last 5 years. General fund revenues were higher in the 2011 and 2012 fiscal years due to TAPS valuation litigation and attorney litigation fee reimbursement for FNSB, with recovery of over \$10 million for each of those years. For fiscal year 2014-2015, the area wide mill rate was increased by 1.2 percent to 11.356 mills, and combined with a slight increase in assessed values, 2015 property tax revenue increased year over year. Mr. Williams illustrated the general fund balance over the last five years, noting that the unassigned balance was over \$20 million for the last three years. Mr. Williams mentioned there's a \$12.3 million deficit reported in the bond capital projects fund, which will be reimbursed with bond proceeds from this issue. Mr. Williams displayed underlying ratings for FNSB from independent rating agencies, which shows some of the highest in the State of Alaska, with "AA+" from S&P, and "AA" from Fitch. A table representing total FNSB revenue subject to intercept was reviewed by the board with amounts updated through FY2016, and FY2015 for shared taxes and fees. With \$143.4 subject to intercept, debt service coverage on this proposed loan would be over 34 times. Mr. Williams stated that the no litigation letter has been received. Mr. Williams stated that based on the assessment, the security offered by the stable property tax revenue pledge, as well as the ability for the Bond Bank to intercept SSR, provides sufficient security for the loan, and recommends approval of the loan application. The floor was open to questions, and Ms. Leary wanted clarification that the authority for FNSB to issue general obligation debt would be expended with this issue, or if there were further borrowing plans for school capital projects currently authorized. Ms. Brady, CFO of the FNSB, responded that this was the remaining authority for school capital improvements at this time. Mr. Lamb questioned if the SSR related to education support funding and other education funding contains embedded values from DEED reimbursements for these school capital improvement projects. Mr. Mitchell answered that there were some overlap of amounts included in revenues subject to intercept from the State in the table provided. Mr. Welles made a motion to approve the loan application from the Fairbanks North Star Borough for \$63,375,000, and Mr. Lamb seconded the motion. Mr. Mitchell conducted a roll call vote, and the motion passed unanimously with five yes votes.

City of Ketchikan – Loan Application and Analysis

Mr. Pierce provided a general description of the application credit review for the City of Ketchikan's (CKTN) request for approximately \$2,000,000 for harbor

improvements at their Hole in the Wall Harbor and Bar Harbor North. Projects include replacements of floats, replacement to ADA compliant ramp / gangway, electrical upgrades, and other improvements. The Bar Harbor special revenue fund is expected to repay the loan, with 2015 net revenue of \$292,000; however, the City's full faith and credit act as security. Total estimated annual debt service for this loan is \$135,000, with a 20 year term. With total Bond Bank FY2016 debt service of \$8.8 million, and most recent State-shared revenues of \$14.2 million, the debt service coverage is approximately 1.6 times. Estimated present value savings to result from the loan is \$135,000, and the CKTN no litigation letter has been received. Mr. Pierce noted the \$2.8 million Hole in the Wall Harbor project is currently under construction with completion scheduled on May 15, 2016, and the Bar Harbor project is in the design stage with scheduled completion in December 2017. These harbor projects were approved by the voters in June 2012 by a margin of 72% to 28%. Mr. Pierce depicted the stable distribution of primary general fund resources from 2010-2014, which are a diverse mix – on average property taxes were 34.3%, sales taxes were 19.6%, charges for services were 13.2%, intergovernmental revenues accounted for 11.7%, and all other sources were 21.2%. Mr. Pierce reviewed the 2008-2014 general fund balances, fluctuating from \$4.07 million to \$5.3 million. A slight dip was seen in 2013, but improved in 2014 as a result of increased assessed values, a property tax increase and a sales tax increase (6.2 to 6.7 mils for property taxes, and 3.5% to 4% for sales taxes). Of the current annual sales tax revenues, the City's general fund receives approximately 1.5%. Since CKTN voters approved the harbor bonds through a general obligation bond election in 2012, this is the primary security, although the CKTN intends to repay the Bond Bank loans with revenues of the Boat Harbor Special revenue fund. The City Council adopted a plan to pay for the Harbor's annual debt service, requiring that harbor rates be increased by 7% for each million dollars of debt issued. There have been three increases, and a fourth increase will go into effect in September 2016, with net revenues anticipated to grow to \$385,000, sufficient to cover the debt service on both the Bond Bank's 2016 loan and the City's 2014 Harbor loan (funded by the Bond Bank), with total debt service on both loans expected to be \$340,000. In other future capital plans, CKTN voters authorized a \$5 million revenue bond in October 2014 for improvements to their wastewater utility. This is expected to be bonded through the Alaska Department of Environmental Conservation Clean Water Loan Program, and the City has until August 7, 2024 to do so. A contemplated \$25.2 million in bonding is further needed for 2016-2020 Capital Improvement Projects; however, the timing and ultimate feasibility require additional grant funding in order to undertake. Mr. Pierce reiterated the state-

aid intercept component with approximately \$14.2 million of State shared revenue, \$8.8 million in FY2016 debt service, and a coverage ratio of approximately 1.6 times. Mr. Pierce stated that based on the assessment, the general obligation security to the loan is the strongest security that the City can provide, and is sufficient to secure the contemplated loan. Mr. Lamb made a motion to approve the loan application from CKTN for approximately \$2,000,000, and Mr. Gursey seconded the motion. Mr. Mitchell conducted a roll call vote, and the motion passed unanimously with five yes votes.

Alaska Municipal Bond Bank Resolution No. 2016-02

Ms. Trout, Bond Bank Bond Counsel with Orrick, introduced resolution 2016-02, a series resolution authorizing the issuance of general obligation and refunding bonds, 2016 Series Two, of AMBBA, in an amount not to exceed \$70 million. Ms. Trout mentioned that the 2016 Series Two bonds shall be sold competitively, also noting that the Board packet contained a copy of the resolution, official notice of sale and bidding instructions defining the competitive electronic bidding process and procedures. Mr. Pierce mentioned that there was also a copy of the preliminary numbers, and POS included in the packet. Mr. Mitchell noted that the schedule shows a pricing on April 12, 2016, and a closing on or around April 21, 2016. Ms. Trout mentioned that the Chairman and Executive director are authorized to designate which of the 2005 Series One bonds shall be refunded. Mr. Welles made a motion to approve Resolution 2016-02, and Mr. Lamb seconded the motion. Mr. Mitchell conducted a roll call vote and the motion passed unanimously with five yes votes.

Review – AMBBA Semi-Annual Financial Statements FY2016 & Cash Forecasting

Mr. Williams presented a copy of the FY2016 semi-annual unaudited financial statements for the Bond Bank, which was compiled by Elgee Rehfeld Mertz, LLC, the Bond Bank's accounting and compilation firm. Mr. Williams went through a summary of the report, and illustrated the fact that net position continued a multi-year decline by nearly \$400,000 over the first six months of FY 2016 - largely due to subdued investment returns and the mismatch between earnings and operating expenses. Mr. Williams depicted current fund balances through February 29, 2016, provided returns, and moved onto a 7-year cash projection in light of upcoming reserve requirements, reserve obligation interest expenses, and the potential to do an additional direct loan to the Kenai Peninsula Borough (KPB). It was noted that the ending cash balance of the Bond Bank's operating

account (custodian account) is anticipated to decline to approximately \$8 million with anticipated partial reserve funding of regional health organizations, and the KPB direct loan. Other expenditures of the Bond Bank include an estimated operating budget authority, and significant reserve obligation interest expenses, which were previously issued under the 2005 resolution. Future bonding and resulting reserve requirements may possibly be satisfied with surety policies, which would be paid out of the operating budget.

WFG Post Sale Summary for 2016 Series One

Mr. Pierce presented a summary for the most recent pricing on January 20, 2016 – \$33,015,000 General Obligation and Refunding Bonds, 2016 Series One. The bonds were sold by competitive sale to Morgan Stanley & Co. The Bond Bank received a total of 10 bids, and the resulting TIC on the transaction was 2.5574%, average life of 10.493 years, and an underwriter cost of \$5.16 per \$1,000. Credit spreads have widened for the Bond Bank bonds since the 2015 One, mostly as a result of the credit concerns surrounding the State budget deficit. In addition, the downgrade from S&P on January 5, 2016, and maintenance of the negative outlook, continues to cloud the market for Alaska credits. Despite that activity, the Bond Bank saw aggressive pricing on its 2016 One Bonds, and the tone of the municipal bond market leading up to the sale was good. The proceeds of the 2016 Series One bond sale were provided to three borrowers, the City of Klawock, Kenai Peninsula Borough, and the Kodiak Island Borough for new money, as well as refunding of the City of Seward's 2008 Series One and Two bonds. In all, financing objectives were achieved by the borrowing parties, and the rates achieved by the Bond Bank were at two-year lows relative to the Municipal Market Data AAA index. These communities achieved over \$4.38 million in present value savings, including the savings from the City of Seward refundings.

Executive Director's Report

Mr. Mitchell reported on the following items that were not covered in the March 29, 2016 Agenda:

On January 5, 2016 a material event notice was posted on EMMA in compliance with the Bond Bank's continuing disclosure undertaking (S&P downgrade).

On January 12, 2016 we received notification that the Internal Revenue Service's audit of the 2003 Series C General Obligation bonds had been concluded. The examination resulted in verification of the tax-exempt status of the bonds.

On January 19, 2016 we exercised our option to extend our contract with AMTEC for two years to March 31, 2018. AMTEC will continue to provide arbitrage services for the Bond Bank.

On January 27, 2016 we signed an updated contract with Elgee Rehfeld Mertz LLC to continue to provide accounting compilation services for the Bond Bank.

On February 1, 2016 I travelled to Seattle to participate in the closing of the 2016 Series One bonds. The public officials in attendance included the Mayor and Administrator of the City of Klawock, the Finance Director and Clerk of the Kenai Peninsula Borough, the Finance Director and Clerk of the Kodiak Island Borough, and the Finance Director of the City of Seward.

On February 11, 2016 following the last outstanding bond issue's maturity, correspondence was sent to The Bank of New York Mellon directing them to close the 1976 reserve fund account. The balance of the account was used in part to satisfy the interest expense due on reserve obligations in the 2005 reserve with the balance transferring to the custodian account. The letter also directed the use of additional surety policy to replace maturing reserve obligation funding.

On February 10 and March 3, 2016 travel memos were provided to the DOR Commissioner in compliance with the Governor's travel policy. The first, approved, was for this Bond Bank Board Meeting (now rescheduled to May), and the second for Ryan's travel to the AGFOA conference, to continue outreach and ensure program awareness.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

Mr. Pfeffer mentioned interaction with the ABA commercial banking president, and that continued interaction, outreach, or further discussions with these parties would greatly help overall Bond Bank program awareness.

IX. ADJOURNMENT

Mr. Pfeffer adjourned the meeting without objection at 10:16 a.m.

Mark Pfeffer, Chairman

CERTIFICATE

I, DEVEN J. MITCHELL, Executive Director of the Alaska Municipal Bond Bank Authority (the “Authority”), HEREBY CERTIFY that Resolution No. 2016-05, adopted by the Board of Directors of the Authority on May 5, 2016, has not been amended, superseded or repealed, but is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2016.

DEVEN J. MITCHELL
Executive Director

**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2016-05**

RESOLUTION OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY
AUTHORIZING THE USE OF AUTHORITY FUNDS, IN AN AMOUNT NOT
TO EXCEED \$3,050,000, TO MAKE A LOAN TO THE KENAI PENINSULA
BOROUGH, ALASKA; APPROVING THE FORM OF A LOAN AGREEMENT;
AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Alaska Municipal Bond Bank Authority (“Authority”) is authorized by AS 44.85.080(13) to invest funds or money of the Authority in a loan to a political subdivision for the purchase of a municipal bond; and

WHEREAS, the Authority is authorized by AS 44.85.080(14) to prescribe the form of application or procedure required of a political subdivision for a loan, to fix the terms and conditions of the loan, and enter into an agreement with a political subdivision with respect to such loan; and

WHEREAS, the Kenai Peninsula Borough, Alaska (the “Borough”), a political subdivision of the State of Alaska (the “State”), submitted an application to the Authority for loans in an aggregate amount not to exceed \$43,000,000 to finance costs of constructing and equipping the Central Kenai Peninsula Hospital Service Area’s Specialty Clinic Building (the “Specialty Clinic Building”), which was approved by the Board of Directors (the “Board”) of the Authority pursuant to a resolution adopted by the Board on January 9, 2014; and

WHEREAS, on February 20, 2014, from proceeds of the Authority’s General Obligation Bonds 2014 Series One, the Authority made a loan to the Borough in the aggregate principal amount of \$32,490,000 the repayment of which was secured, in part, by delivery to the Authority of the Borough’s duly authorized and issued registered bonds in the aggregate principal amount of \$32,490,000 (the “2014 Bonds”), consisting of \$18,490,000 Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2014 Series A (Tax-Exempt) and \$14,000,000 Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2014 Series B (Taxable); and

WHEREAS, pursuant to Resolution No. 2015-02, adopted by the Board on April 9, 2015, the Board authorized the Authority, from available funds in the Authority’s Custodian Account, to make a loan to the Borough to finance additional costs of constructing and equipping the Specialty Clinic Building, and on June 4, 2015 the Authority made a loan to the Borough in the aggregate principal amount of \$3,200,000 by purchasing for the Custodian Account a duly authorized and issued registered Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2015 Series A (Taxable) in the principal amount of \$3,200,000 (the “2015 Bond” and together with the 2014 Bonds, the “Outstanding Specialty Clinic Bonds”); and

WHEREAS, in an updated application the Borough requested, and on December 15, 2015 pursuant to Resolution No. 2015-05 the Board approved, an additional loan from the Authority in an amount not to exceed \$3,050,000 to finance the remaining costs of constructing and equipping

the Specialty Clinic Building, such loan (the “2016 Loan”) initially to be funded with a portion of the proceeds of the Authority’s 2016 Series One Bonds; and

WHEREAS, in January 2016, the Borough determined that obtaining the 2016 Loan separately would be in the Borough’s best interest and requested the Authority to make the 2016 Loan as a separate, direct loan; and

WHEREAS, the terms and conditions of the 2016 Loan and the Borough’s payment and other obligations in connection therewith will be set forth in a separate loan agreement to be entered into by the Authority and the Borough (“Loan Agreement”); and

WHEREAS, the payments required to be made under the Loan Agreement will be evidenced and secured, in part, by a duly authorized and issued Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2016 Series A (Taxable) to be issued by the Borough and of which the Authority will be the registered owner (the “2016 Bond” and together with the Outstanding Specialty Clinic Bonds and any other bonds issued on a parity therewith, the “Specialty Clinic Bonds”); and

WHEREAS, the Specialty Clinic Bonds, including the 2016 Bond, are payable from, and the Borough has pledged to the payment thereof, gross revenues of the Central Peninsula General Hospital and of the Central Kenai Peninsula Hospital Service Area Specialty Clinic (the “Specialty Clinic”), and additional security for repayment of the Loan will consist of a parity reserve account funded by the Borough; and

WHEREAS, the Authority hereby finds and determines that it is in the public interest and will carry out the purposes of the Authority to make the Loan to the Borough from funds available in the Authority’s Custodian Account; and

WHEREAS, the form of Loan Agreement, by and between the Authority and the Borough, has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY, AS FOLLOWS:

Section 1. Authority to Make the Loan and Maximum Principal Amount. The Authority is hereby authorized to make the Loan to the Borough in an amount not to exceed \$3,050,000. The authority granted under this Section 1, shall expire 120 days after the date this Resolution No. 2016-05 is adopted.

Section 2. Purpose. The Loan is being provided to the Borough to finance all or a portion of the remaining costs of constructing and equipping the Specialty Clinic Building.

Section 3. Interest Rate and Maturity. The Loan shall bear interest at a rate not greater than five percent (5.0%) per annum and shall mature no later than ten (10) years after the effective date of the Loan as determined by the Chairman or Executive Director after consulting with the Financial Advisor. The Loan shall be evidenced by the 2016 Bond, of which the Authority shall be the registered owner.

Section 4. Principal and Interest Payments. Principal shall be payable on December 1 and interest shall be payable on the June 1 and December 1, beginning December 1, 2016, or on such other dates as may be fixed and determined by the Chairman or the Executive Director (each an “Authorized Officer”), computed on the basis of a 360-day year composed of twelve thirty-day months, until the entire amount due and outstanding is paid in full. The schedule of principal and interest payments shall be included as an exhibit to the Loan Agreement and shall match the amounts and dates of principal and interest payments of the 2016 Bond.

Section 5. Prepayment. The Chairman and the Executive Director are, and each of them is, hereby authorized to determine the prepayment provisions, if any, for the Loan.

Section 6. Loan Agreement. The form and content of, and the performance by the Authority, of its obligations contained in, the Loan Agreement are hereby in all respects authorized, approved and confirmed. The Chairman and the Executive Director are, and each of them separately is, authorized, empowered and directed to execute the Loan Agreement for and on behalf of the Authority, including necessary counterparts, in substantially the form and content now before this meeting but with such changes, modifications, additions or deletions therein as seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of such approval of any and all changes, modifications, additions or deletions therein from the form and content of the Loan Agreement now before the Board at this meeting; and from and after the execution and delivery of the Loan Agreement, the Chairman and the Executive Director are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed.

Section 7. Loan Trustee. The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, is hereby appointed Loan Trustee.

Section 8. Chairman and Executive Director and other Authorized Officers. The Chairman and the Executive Director are, and each of them separately is, authorized, empowered and directed to determine the principal amount, maturity date or dates, interest rate or rates and other terms of the Loan as provided in this Resolution, and each Authorized Officer and/or any other person authorized by an Authorized Officer, is hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 9. Recitals. These Recitals to this Resolution are incorporated herein, and by this reference, are made a part hereof as if fully set forth herein.

Section 10. Effective Date. This Resolution shall become effective immediately upon its passage and approval.

DATED this 5th day of May, 2016.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

[SEAL]

MARK E. PFEFFER
Chairman

ATTEST:

DEVEN J. MITCHELL
Executive Director

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “Loan Agreement”), dated as of the ___ day of _____ 2016, between the Alaska Municipal Bond Bank Authority (the “Authority”), a body corporate and politic constituted as an instrumentality of the State of Alaska (the “State”) exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the “Act”), having its principal place of business at Juneau, Alaska, and the Kenai Peninsula Borough, Alaska, a duly constituted second-class borough of the State (the “Borough”):

WITNESSETH:

WHEREAS, pursuant to the Act, the Authority is authorized to make loans of money to political subdivisions of the State; and

WHEREAS, the Borough is a political subdivision of the State and pursuant to the Act is authorized to accept a loan from the Authority to be evidenced and secured by its municipal bond; and

WHEREAS, the Borough submitted an application to the Authority for loans in an aggregate amount of not to exceed \$43,000,000 to finance costs of constructing and equipping the Borough’s Central Kenai Peninsula Hospital Service Area’s Specialty Clinic Building (the “Specialty Clinic Building”), which application was approved by the Board of Directors (the “Board”) of the Authority pursuant to a resolution adopted by the Board on January 9, 2014; and

WHEREAS, on February 20, 2014, from proceeds of its General Obligation Bonds 2014 Series One, the Authority made a loan to the Borough in the aggregate principal amount of \$32,490,000 the repayment of which was secured, in part, by delivery to the Authority of the Borough’s duly authorized and issued registered bonds in the aggregate principal amount of \$32,490,000 (the “2014 Bonds”), consisting of \$18,490,000 Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2014 Series A (Tax-Exempt) and \$14,000,000 Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2014 Series B (Taxable); and

WHEREAS, pursuant to Resolution No. 2015-02, adopted by the Board on April 9, 2015, the Board authorized the Authority, from available funds in the Authority’s Custodian Account, to make a loan to the Borough to finance additional costs of constructing and equipping the Specialty Clinic Building and on June 4, 2015, the Authority made a loan to the Borough in the aggregate principal amount of \$3,200,000 by purchasing for the Custodian Account a duly authorized and issued registered Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2015 Series A (Taxable) in the principal amount of \$3,200,000 (the “2015 Bond” and together with the 2014 Bonds, the “Outstanding Specialty Clinic Bonds”); and

WHEREAS, in an updated application the Borough requested, and on December 15, 2015 pursuant to Resolution No. 2015-05 the Board approved, an additional loan from the Authority in an amount not to exceed \$3,050,000 to finance the remaining costs of constructing and equipping the Specialty Clinic Building, such loan (the “2016 Loan”) initially to be funded with a portion of the proceeds of the Authority’s 2016 Series One Bonds; and

WHEREAS, before the Authority's 2016 Series One Bonds were issued, the Borough determined that obtaining the 2016 Loan separately would be in the Borough's best interest; and

WHEREAS, at the Borough's request, the Board, pursuant to Resolution No. 2016-05 adopted on May 5, 2016, authorized the Authority to make the 2016 Loan from funds available in the Authority's Custodian Account and as evidence of such Loan, to enter into this Loan Agreement and to purchase from the Borough the Borough's Central Kenai Peninsula Hospital Service Area Specialty Clinic Building Revenue Bond, 2016 Series A (Taxable) in the principal amount of \$3,050,000 (the "2016 Bond" or the "Municipal Bond"), to be issued and secured on a parity with the Outstanding Specialty Clinic Bonds, as evidence of the 2016 Loan in accordance with this Loan Agreement;

NOW, THEREFORE, the Borough and the Authority agree:

1. The Authority hereby makes the 2016 Loan and the Borough hereby accepts the 2016 Loan in the aggregate principal amount of \$3,050,000. As evidence of the 2016 Loan made to the Borough and such money borrowed from the Authority by the Borough, the Borough hereby sells to the Authority the 2016 Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A hereof. For purposes of this Loan Agreement, the interest on the Municipal Bond will be computed without regard to the provision in Section 7 hereof. As set forth in Sections 3 and 4 hereof, the Borough shall make funds available to The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as loan trustee ("Loan Trustee") for the payment of principal and interest at least seven (7) business days prior to each principal and interest payment date.

2. The Borough represents that the Borough Assembly duly adopted or will adopt all necessary ordinances or resolutions, including Resolution No. 2013-072, adopted on October 22, 2013, as amended by Resolution No. 2014-008, adopted on January 7, 2014, and Resolution No. ____, adopted on _____, 2016 (collectively, the "Borough Resolution"), and that the Borough has taken or will take all proceedings required by law to enable the Borough to enter into this Loan Agreement and to issue its 2016 Bond to the Authority and that the 2016 Bond will constitute a revenue bond, a special and limited obligation of the Borough issued and secured on a parity with the Outstanding Specialty Clinic Bonds, all as duly authorized by the Borough Resolution.

3. Subject to any applicable legal limitations, the amounts to be paid by the Borough pursuant to this Loan Agreement representing interest due on its 2016 Bond (the "Municipal Bond Interest Payments") shall be paid by the Borough to the Loan Trustee at least seven (7) business days before the interest payment date so as to provide funds sufficient to pay interest as the same becomes due.

4. The amounts to be paid by the Borough pursuant to this Loan Agreement representing principal due on its 2016 Bond (the "Municipal Bond Principal Payments"), shall be paid by the Borough to the Loan Trustee at least seven (7) business days before each principal installment date stated in the 2016 Bond so as to provide funds sufficient to pay the principal of the 2016 Loan as the same becomes due based upon the maturity schedule stated in Exhibit A.

5. In the event the amounts referred to in Sections 3 and 4 hereof to be paid by the Borough pursuant to this Loan Agreement are not made available at any time specified herein, the Borough agrees that any money payable to it by any department or agency of the State may be withheld from it and paid over directly to the acting Loan Trustee, and this Loan Agreement shall be full warrant, authority and direction to make such payment upon notice to such department or agency by the Authority, with a copy provided to the Borough, as provided in the Act.

6. The Borough is obligated to pay to the Authority Fees and Charges. Such Fees and Charges actually collected from the Borough shall be in an amount sufficient, together with other money available therefor, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality:

(a) to pay, as the same become due, the administrative expenses of the Authority; and

(b) to pay, as the same become due, the Borough's fees and expenses of the Loan Trustee for the Loan Obligations.

The waiver by the Authority of any fees payable pursuant to this Section 6 shall not constitute a subsequent waiver thereof.

7. The Borough is obligated to make the Municipal Bond Principal Payments scheduled by the Authority on an annual basis commencing seven (7) business days before the dates indicated on Exhibit A appended hereto. The first such Municipal Bond Principal Payment is due seven (7) business days prior to the date indicated on Exhibit A appended hereto. The Borough is obligated to make the Municipal Bond Interest Payments scheduled by the Authority on a semi-annual basis commencing seven (7) business days before the dates indicated on Exhibit A appended hereto, and to pay any fees and charges imposed by the Authority within thirty (30) days of receiving the invoice of the Authority thereof.

8. Simultaneously with the delivery of the 2016 Bond to the Authority, the Borough shall confirm that the Outstanding Special Clinic Bonds and the 2016 Bond are the only Bonds Outstanding under the Borough Resolution and shall furnish to the Authority evidence satisfactory to the Authority that, among other things, that the 2016 Bond will constitute a valid and binding revenue obligation of the Borough issued and secured under and in accordance with the Borough Resolution on a parity with the Borough's Outstanding Specialty Clinic Bonds.

9. Notice to the Borough for payments under this Loan Agreement shall be addressed to the Kenai Peninsula Borough, Attention: Finance Director, 144 N. Binkley, Soldotna, Alaska 99611. The Borough shall give the Authority and the corporate trust office of the Loan Trustee least thirty (30) days' written notice of any change in such address.

10. Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the 2016 Bond to the Authority or its designee, the Authority shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the Borough to the Authority in connection with its application to the Authority for the loan shall be incorrect or incomplete in any material respect.

(b) The Borough has violated commitments made by it in the terms of this Loan Agreement.

11. The Borough agrees that it will provide the Authority with written notice of any default in covenants under the terms of this Loan Agreement and the Borough's Resolution within thirty (30) days after the date thereof.

12. The Borough hereby agrees that it shall deposit \$_____, at the time of Loan funding, in its debt service reserve fund, which amount, in addition to existing amounts held on deposit therein, secures payment of principal and interest on the Outstanding Specialty Clinic Bonds and the 2016 Bond and, that such fund is, and shall be, held in the name of the Borough with the Loan Trustee.

13. The Borough agrees to establish, maintain and collect fees for its Medical Facilities¹ that will provide in any fiscal year Pledged Revenues² in an amount equal to at least 1.25 times the maximum annual debt service on the outstanding Prior Borough Bonds, the 2016 Bond, the Outstanding Specialty Clinic Bonds and all bonds issued on a parity therewith (the "Rate Covenant").

The Borough agrees to provide the Authority with annual written notice (for the term of the 2016 Bond) evidencing whether the Borough has satisfied the Rate Covenant. Such notice is to be provided by the Borough to the Authority within ninety-five (95) days after the end of the Borough's fiscal year. If the Pledge Revenues fail to produce revenues sufficient to satisfy the Rate Covenant in any fiscal year, the Borough agrees to adjust rates and charges for use of the services and facilities of the Medical Facilities to comply with the Rate Covenant effective the following fiscal year and shall provide the Authority with written notice of such adjustment.

14. The Borough hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the Borough's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The Borough agrees that all records required by the preceding sentence shall be made available to the Authority upon request.

¹ "Medical Facilities" means all facilities operated by the operator or lessee of the Borough's specialty clinic building, either directly or indirectly for the Borough, including the Central Peninsula General Hospital owned by the Borough.

² "Pledged Revenues" means all amounts received by the Borough from the operation of all Medical Facilities (including the Central Peninsula General Hospital and the Borough's specialty clinic building) and deposited into the Specialty Clinic Building Revenue Bond Account (as defined in the Borough's Resolution) and interest and profits defined from the investment of moneys held in such Account.

15. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

16. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

17. No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

18. This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

By: _____
DEVEN J. MITCHELL
Executive Director

KENAI PENINSULA BOROUGH, ALASKA

By: _____
CRAIG C. CHAPMAN
Finance Director

EXHIBIT A

\$3,050,000
Kenai Peninsula Borough, Alaska
Central Kenai Peninsula Hospital Service Area Specialty Clinic Building
Revenue Bond, 2016 Series A (Taxable)
("2016 Bond")

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Interest Rate</u>
December 1, 2016			
June 1, 2017			
December 1, 2017			
June 1, 2018			
December 1, 2018			
June 1, 2019			
December 1, 2019			
June 1, 2020			
December 1, 2020			
June 1, 2021			
December 1, 2021			
June 1, 2022			
December 1, 2022			
June 1, 2023			
December 1, 2023			

Principal installments shall be payable on December 1 in each of the years, and in the amounts set forth above. Interest on the 2016 Bond shall be payable on December 1, 2016, and thereafter on June 1 and December 1 of each year.

Prepayment Provisions: The 2016 Bond is subject to prepayment in whole, or in part, at any time at the option of the Borough.

Alaska Municipal Bond Bank Authority

Regional Health Organization Administrative Policy

Nearly all health care that is delivered to Alaska Natives is administered by 13 Alaska Native regional health organizations (RHOs) that are identified in Public Law 105-83. The RHOs operate under compacting arrangements, which are agreements the Indian Health Service (HIS) negotiates with Native villages and other Native entities. Under the 1975 Indian Self-Determination and Education Assistance Act, as amended and further through the Tribal Self-Governance Act of 1994 and the Tribal Self-Governance Amendments of 2000, tribes and tribal organizations were allowed to participate in and manage programs that for years had been administered on their behalf by the Departments of the Interior and of health and Human Services.

Per AS 18.28.100 Definitions.

(6) "regional health organization" means a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles.

On May 26, 2015 SB 46 was signed into law amending AS 44.85 to allow the Bond Bank to make loans to RHOs. During the course of the Legislative process certain limitations and requirements were imbedded in the statute change as provided and then described below.

Per AS 44.85.010 Legislative Policy.

(6) assist regional health organizations to provide health care facilities by providing capital funds through loans that minimize costs and the effects on the debt capacity of regional health organizations when the commissioner of health and social services anticipates a state financial benefit and an increase in regional quality of care

****To meet the requirements of AS 44.85.010 (6) the Commissioner of the Department of Health and Human Service adopted the attached policy on evaluating RHO requests for a determination. If the project meets the criteria a letter is provided by the DHHS Commissioner to the Bond Bank.

Per AS 44.85.090 Limitations. Under this Chapter, the bond bank authority may not:

(5) issue bonds or notes to a regional health organization unless

(A) the bond bank authority finances not more than 49 percent of a project;

(B) the remaining costs of a project are secured or delivered to the bond bank authority before the bond bank authority provides financing under (A) of this paragraph; and

(C) the bonds or notes do not exceed \$102,500,000 for a single project

****To meet the requirements of 44.85.090(5)(A):

To determine cost of a new project the RHO shall provide professionally produced estimates of project costs to generally include the cost of designing, constructing, finishing and furnishing the

proposed project. Such costs may also include financing costs including capitalized interest, reserve funds, and other costs of issuance. Costs accrued in the development of the project including administrative, engineering feasibility, and technical support shall be included in the allowed cost. To the extent land is acquired as part of the project the costs associated with that acquisition are an allowed cost.

If the RHO is requesting refinancing of an existing project the costs associated with the original construction of the project, as well as costs incurred following initial construction that fall into the allowed categories described in the preceding explanation shall be used to determine cost.

After cost is determined it shall be multiplied by .49 to establish the financing limit.

****To meet the requirements of 44.85.090(5)(B)

For determining if the remaining 51% of the project cost, as defined above, is financed, the RHO shall provide evidence of equity contribution, other long term lenders and evidence of their commitments, other short term lenders and evidence of their commitments. All aspects of the project must have funding commitments including both long term and interim/construction needs, however funds don't need to be borrowed at the time of loan execution. Professional staff of the Bond Bank will provide guidance on a case by case basis for project that require multiple overlapping funding sources with varying commitment dates.

****To meet the requirements of 44.85.090(5)(C)

The total bonds or notes issued may not exceed \$102.5 million for any single project. Further any original issue premium shall be counted towards this limit other than premium may be used to pay for costs directly associated with issuing the bonds. Requests to have original issue premium used to pay costs of issuance shall be reviewed by the Bond Bank's professional staff and approved by the Executive Director.

Per AS 44.85.180

(e) Notwithstanding (a), (b), and (c) of this section, the bond bank authority may issue its bonds or notes

(2) in principal amounts not to exceed \$205,000,000 at any one time for the purpose of making loans to a regional health organization; this paragraph does not apply to bonds or notes issued to fund or refund bonds or notes.

****AS 44.85.180(e)(2) the Bond Bank may have up to \$205,000,000 of loans to RHO's outstanding at any one time, not including bonds that have been defeased. This is a rolling limit and as balances are paid off, additional loans may be made.

ALASKA MUNICIPAL BOND BANK AUTHORITY

2016 MASTER BOND RESOLUTION

Resolution No. 2016-03

Adopted by the Board of Directors on May 5, 2016

TABLE OF CONTENTS

Page

ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS

Section 101 - Authority For This 2016 Master Bond Resolution	1
Section 102 – This 2016 Master Resolution Constitutes a Contract	1
Section 103 - Definitions	2

ARTICLE II AUTHORIZATION OF BONDS, CREDIT FACILITY AND OTHER REIMBURSEMENT OBLIGATIONS AND SUBORDINATE OBLIGATIONS

Section 201 - Authorization of Bonds and Reimbursement Obligations	13
Section 202 - Issuance and Delivery of Bonds; Other Obligations	13
Section 203 – General Provisions for Issuance of Bonds	14
Section 204 - Provisions for Refunding Bonds.....	16
Section 205 – Authorization of Subordinate Obligations	17

ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS

Section 301 - Description of Bonds; Payment	17
Section 302 - Legends.....	18
Section 303 - Execution and Authentication	18
Section 304 - Interchangeability of Bonds	18
Section 305 - Negotiability, Transfer and Registry	19
Section 306 - Regulations with Respect to Exchanges and Transfers	19
Section 307 - Bonds Mutilated, Destroyed, Stolen or Lost	19
Section 308 - Preparation of Definitive Bonds; Temporary Bonds	20
Section 309 - Cancellation and Destruction of Bonds	21
Section 310 - Book-Entry System	21

ARTICLE IV REDEMPTION OF BONDS

Section 401 - Redemption Provisions.....	22
Section 402 - Notice of Redemption.....	23
Section 403 - Effect of Notice of Redemption.....	24
Section 404 - Partially Redeemed Fully Registered Bonds	24

ARTICLE V CUSTODY AND APPLICATION OF CERTAIN PROCEEDS OF BONDS

Section 501 - Application of Certain Proceeds	24
Section 502 - Loans.....	25
Section 503 - Retention and Inspection of Documents.....	26

ARTICLE VI ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

Section 601 – Pledges, Assignments and Other Security.....	26
Section 602 - Establishment of Funds and Accounts.....	27
Section 603 - Reserve Fund; Authority Reserve Fund Obligations; Interest on Authority Reserve Fund Obligations	27
Section 604 - Interest Account, Principal Account and Redemption Account.....	28
Section 605 - Rebate Fund.....	29
Section 606 - Operating Account and Custodian Account	30
Section 607 - Reduction of Required Debt Service Reserve	30
Section 608 - Trustee’s Maintenance of Records of Receipts, Deposits and Transfers and of Payments of Bonds and Other Obligations.....	30

TABLE OF CONTENTS

Page

Section 609 - Obtaining Credit Facilities	31
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ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701 - Security for Deposits.....	31
Section 702 - Investment of Funds and Accounts Held by the Trustee	31
Section 703 - Liability of Trustee for Investments	32

ARTICLE VIII

THE TRUSTEE AND THE PAYING AGENTS

Section 801 - Appointment and Acceptance of Duties of Trustee	33
Section 802 - Appointment and Acceptance of Duties of Paying Agents.....	33
Section 803 - Responsibilities of Fiduciaries	33
Section 804 - Evidence on Which the Trustee May Act.....	36
Section 805 - Compensation.....	36
Section 806 - Permitted Acts and Functions.....	36
Section 807 - Resignation of Trustee.....	37
Section 808 - Removal of Trustee	37
Section 809 - Appointment of Successor Trustee.....	37
Section 810 - Transfer of Rights and Property to Successor Trustee	37
Section 811 - Merger or Consolidation	38
Section 812 - Resignation or Removal of the Paying Agents and Appointment of Successors.....	38

ARTICLE IX

ADDITIONAL COVENANTS OF THE AUTHORITY

Section 901 - Payment of Bonds	39
Section 902 - Extension of Payment of Bonds	39
Section 903 - Offices for Servicing Bonds	39
Section 904 - Further Assurances	39
Section 905 - Power to Issue Bonds and to Make Pledges and Assignments.....	39
Section 906 - General Covenants of the Authority.....	40
Section 907 - Personnel and Servicing of Programs.....	41
Section 908 - Fees and Charges; Authority Reserve Fund Interest Expense	41
Section 909 - Administration of Reserve Fund.....	42
Section 910 - Loan Agreement Provisions	42
Section 911 - Modification of Loan Agreement Terms.....	44
Section 912 - Sale of Borrower Bonds by Bank.....	44
Section 913 - Disposition of the Proceeds of Sale or Redemption of Borrower Bonds	44
Section 914 - Enforcement of Borrower Bonds.....	45
Section 915 - Continuing Disclosure; Bankruptcy Law	45
Section 916 - Tax Covenants	45

ARTICLE X

MODIFICATIONS AND AMENDMENTS WITHOUT OWNER CONSENTS

Section 1001 - Modification and Amendment without Consent	46
Section 1002 - Supplemental Resolutions Effective with Consent of Owners	47
Section 1003 - General Provisions Relating to Supplemental Resolutions and Series Resolutions	47

ARTICLE XI

AMENDMENTS WITH CONSENTS

Section 1101 - Powers of Amendment with Consent	48
Section 1102 – Consents and Deemed Consents of Owners and Certain Credit Facility Providers and/or Underwriters	49
Section 1103 - Modifications by Unanimous Consent	49

TABLE OF CONTENTS

	Page
Section 1104 - Mailing and Publication	49
Section 1105 - Exclusion of Bonds	50
Section 1106 - Notation on Bonds	50

ARTICLE XII DEFAULTS AND REMEDIES

Section 1201 - Trustee to Exercise Powers of Statutory Trustee.....	50
Section 1202 - Events of Default.....	50
Section 1203 - Remedies	51
Section 1204 - Priority of Payments After Default.....	53
Section 1205 - Termination of Proceedings.....	54
Section 1206 - Owners' Direction of Proceedings; Rights of Credit Facility Providers	54
Section 1207 - Limitation on Rights of Owners; Obligation of the Authority	55
Section 1208 - Possession of Bonds by Trustee Not Required.....	55
Section 1209 - Remedies Not Exclusive.....	56
Section 1210 - No Waiver of Default.....	56
Section 1211 - Notice of Event of Default.....	56

ARTICLE XIII DEFEASANCE

Section 1301 - Discharge of Some or All of the Outstanding Bonds; Discharge of the 2016 Master Resolution.....	56
Section 1302 - Discharge of Liability on Bonds.....	57
Section 1303 - Deposit of Money or Securities	58
Section 1304 - Payment of Bonds After Discharge of 2016 Master Resolution.....	58

ARTICLE XIV MISCELLANEOUS

Section 1401 - Preservation and Inspection of Documents	59
Section 1402 - Parties of Interest.....	59
Section 1403 - No Recourse Under Resolutions or on Bonds	59
Section 1404 - Severability.....	59
Section 1405 - Headings	59
Section 1406 - Conflict.....	60
Section 1407 - Governing Law.....	60
Section 1408 - Effective Date.....	60

Appendix A – Form of Bond

**ALASKA MUNICIPAL BOND BANK AUTHORITY
2016 MASTER BOND RESOLUTION**

Resolution No. 2016-03

A 2016 MASTER BOND RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; SECURING THE PAYMENT OF THE PRINCIPAL OR ACCRETED VALUE OF AND PREMIUM, IF ANY, AND INTEREST ON ALL OF SAID BONDS; AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

WHEREAS, the Alaska Municipal Bond Bank Authority (as further defined below, the “Authority”), a public corporation and an instrumentality of the State of Alaska within the Department of Revenue, was established pursuant to the Alaska Municipal Bond Bank Authority Act, Chapter 85, Title 44 of the Alaska Statutes (as amended from time to time, the “Act”); and

WHEREAS, pursuant to the Act, the Authority is authorized to assist regional health organizations, public bodies, joint action agencies and other entities by providing capital funds through loans to such entities and to issue its bonds and notes to finance such loans, provided that the conditions set forth in the Act are satisfied; and

WHEREAS; the Board of Directors of the Authority has determined (i) to provide for the issuance in series from time to time of bonds and/or notes of the Authority to assist borrowers in financing and refinancing qualifying facilities and (ii) to secure the payment of such bonds and notes as provided herein;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Alaska Municipal Bond Bank Authority as follows:

**ARTICLE I
STATUTORY AUTHORITY AND DEFINITIONS**

Section 101 - Authority For This 2016 Master Bond Resolution. This 2016 Master Bond Resolution (as further defined herein, the “2016 Master Resolution”) is adopted pursuant to the provisions of the Act.

Section 102 – This 2016 Master Resolution Constitutes a Contract. In consideration of the purchase and acceptance of the Bonds by those who hold the same from time to time, the provisions of this 2016 Master Resolution shall be a part of the Authority’s contract with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the Authority and the Trustee, Credit Facility Providers, Reserve Fund Credit Facility Providers and Owners from time to time of the Bonds. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the benefit, protection and security of the Owners of any and all of such Bonds, Credit Facility Providers, if any, and Reserve Fund Credit Facility Providers, if any. Each Bond, regardless of

the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other Bond, except as expressly provided in this 2016 Master Resolution.

Section 103 - Definitions. The following terms shall, for all purposes of this 2016 Master Resolution, have the following meanings unless the context shall clearly indicate some other meaning:

“Accountant’s Certificate” shall mean a certificate signed by an independent certified public accountant or a firm of independent certified public accountants selected by the Authority.

“Accreted Value” shall mean (i) in respect of Capital Appreciation Bonds of any Series, as of any date of calculation, the amount representing the sum of the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date; or (ii) in respect of Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Bonds, plus the amount of discounted principal that has accreted since the date of issue; in each case as provided in the applicable Series Resolution or in a certificate authorized by thereby.

“Act” shall mean the Alaska Municipal Bond Bank Authority Act, constituting Chapter 85, Title 44, of the Alaska Statutes, as amended from time to time.

“Additional Bonds” shall mean bonds, notes or other obligations of the Authority (including any Refunding Bonds and any bonds or notes designated as obligations of the Alaska Municipal Bond Bank) issued hereunder after the issuance of the Series 2016A Bonds in accordance with the Act and the provisions of Section 203 or Section 204 of this 2016 Master Resolution and pursuant to a Series Resolution.

“Administrative Expenses” shall mean the Authority’s expenses of carrying out and administering its powers, duties and functions, as authorized by the Act and shall include, without limiting the generality of the foregoing: administrative and operating expenses, legal, accounting and consultant’s services and expenses, payments to pension, retirement, health and hospitalization funds and any other expenses required or permitted to be paid by the Authority under the provisions of the Act or this 2016 Master Resolution, Series Resolutions and/or Supplemental Resolutions or otherwise.

“Aggregate Debt Service” for any period shall mean, as of any date of calculation and with respect to all Outstanding Bonds, the sum of the amount of Debt Service for such period.

“Annual Debt Service” shall mean the total amount of Debt Service for Outstanding Bonds of one or more Series, as applicable, in any Fiscal Year.

“Authority” shall mean the Alaska Municipal Bond Bank Authority, a public corporation and instrumentality of the State of Alaska within the Department of Revenue but having a legal existence independent of and separate from the State exercising public and essential governmental functions and created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Authority.

“Authority Reserve Fund Interest Expense” shall mean interest accrued or to accrue on the principal of Reserve Fund Obligations and/or the premium and other costs of obtaining one or more Reserve Fund Credit Facilities.

“Authority Reserve Fund Obligations” or “Reserve Fund Obligations” shall mean the Bonds issued by the Authority to obtain funds for deposit to the Reserve Fund or to obtain a Reserve Fund Credit Facility in lieu thereof, and/or to pay Authority Reserve Fund Interest Expense.

“Authorized Denominations” with respect to Bonds of a Series, has the meaning specified therefor in the related Series Resolution and if not specified therein, “Authorized Denominations” shall mean \$5,000 and any integral multiple thereof.

“Authorized Officer” shall mean the Chairman, Vice Chairman, Executive Secretary, Executive Director or Finance Director of the Authority and any other director, officer or employee of the Authority authorized by resolution of the Authority to perform such act or discharge such debt.

“Balloon Bonds” shall mean Bonds of a Series that are so designated in the Series Resolution or in a certificate authorized by the Series Resolution, the aggregate principal amount of which becomes due and payable, either at maturity or by mandatory sinking fund redemption, in any Fiscal Year in an amount that constitutes 25 percent or more of the initial aggregate principal amount of the Bonds of such Series.

“Beneficial Owner” shall mean the person in whose name a Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and the DTC Participants or the Owner of the Bond if the Bond is not then held in book-entry form.

“Bond” or “Bonds” shall mean the Series 2016A Bonds and any Additional Bonds issued in accordance with this 2016 Master Resolution and pursuant to a Series Resolution, including the Series 2016A Bonds and any Refunding Bonds and other Additional Bonds issued in accordance herewith.

“Bondholder” or “Owner” means the registered owner of any Bond.

“Book-Entry System” shall mean the system in which the Bonds of a Series (represented by one Bond certificate for each maturity and interest rate of the Bonds of that Series) are delivered to, or to the Trustee for, DTC (or a successor depository) and are issued and fully-registered as to principal and interest in the name of Cede & Co. (or another nominee name authorized by DTC or a successor depository), and whereby beneficial interests in the Bonds of that Series are purchased by investors through DTC Participants, such interests shown and transfers thereof effected only through the records maintained by the respective DTC Participants from whom each such investor acquired such beneficial interest.

“Borrower” shall mean any regional health organization, public body, joint action agency or other entity from which the Authority is authorized by law to purchase revenue bonds, general obligation bonds, notes or other forms of indebtedness and that satisfies the conditions in Section 910 and in such Borrower’s Loan Agreement.

“Borrower’s Allocable Proportion” shall mean the proportionate amount of the total requirement in respect of which the term is used, determined by the ratio that the Loan then outstanding to such Borrower bears to the total of all Loans then outstanding to all Borrowers.

“Borrower Bonds” shall mean general obligation bonds, revenue bonds, notes or other evidences of indebtedness issued by any Borrower that have been or that will be acquired by the Authority as evidence of, and to secure repayment by the Borrower of, a Loan to such Borrower pursuant to the Act.

“Borrower Interest Payment” shall mean that portion of a Borrower Payment made or required to be made by a Borrower to the Authority which represents the interest due or to become due on the Borrower’s Borrower Bonds.

“Borrower Payment” shall mean the amounts paid or required to be paid, from time to time, for principal and interest by a Borrower to the Authority on such Borrower’s Borrower Bonds, plus the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense and the amount, if any, required to pay or to reimburse the Authority for the payment of a Reserve Fund Reimbursement Obligation and/or Credit Facility Reimbursement Obligation attributed to the Borrower, together with interest thereon.

“Borrower Principal Payment” shall mean that portion of a Borrower Payment made or required to be made by a Borrower to the Authority which represents the principal or Accreted Value due or to become due on the Borrower’s Borrower Bonds.

“Business Day” shall mean any day other than a Saturday or Sunday or any other day on which banks in New York, Alaska or the state or states in which any Trustee appointed hereunder performs its duties hereunder are authorized or required to be closed or are closed.

“Capital Appreciation Bonds” shall mean Bonds of any Series, all or a portion of the interest on which is compounded and accumulated at the rates and on the dates and payable only upon redemption or on the maturity date of such Bonds; provided that if set forth in the Series Resolution authorizing the issuance of such Bonds or in a certificate authorized by the Series Resolution, the Bonds of that Series may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which such Bonds no longer are Capital Appreciation Bonds, they shall be deemed to be Outstanding in a principal amount equal to their Accreted Value on that date. Unless otherwise specified herein or in a Series Resolution or certificate, the principal amount of Capital Appreciation Bonds shall refer to the Accreted Value of the Capital Appreciation Bonds, and references to the interest rate on Capital Appreciation Bonds shall refer to the rate at which those Capital Appreciation Bonds accrete in value.

“Code” shall mean the Internal Revenue Code of 1986 and all applicable regulations and rulings relating thereto.

“Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to state and municipal financing (who may be counsel to the Authority) selected by the Authority.

“Credit Facility” shall mean a direct-pay letter of credit (including a confirming letter of credit if applicable) issued by a bank; a bond insurance policy issued by a monoline insurance company; and/or a guaranty, loan agreement or purchase agreement provided by the State or by any agency, department or political subdivision thereof; in each case that by its terms secures the payment when due of the principal or Accreted Value of and the interest on Bonds of one or more Series or maturities.

“Credit Facility Reimbursement Obligations” shall mean the Authority’s obligation to reimburse a Credit Facility Provider for amounts paid, or drawn to pay, principal or Accreted Value of and/or interest on Bonds secured by such Credit Facility.

“Credit Facility Provider” shall mean the issuer of a Credit Facility.

“Current Interest Bonds” shall mean Bonds that are not Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Series Resolution or in a certificate authorized by a Series Resolution.

“Custodian Account” means the Authority Custodian Account heretofore established within the existing Operating Fund.

“DBRS” shall mean DBRS, Inc., a corporation organized and existing under the laws of the State of Delaware, and any successor thereto and if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “DBRS” shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch, Kroll, Moody’s and Standard & Poor’s).

“Debt Service” shall mean the amount required in any Fiscal Year (or in any other calculation period) to pay the principal or Accreted Value of and the interest on Outstanding Bonds of one or more Series, excluding interest and principal to be paid from the proceeds of the sale of Bonds or of other obligations and excluding capitalized interest funded upon the issuance of Bonds from sources other than proceeds of Loans. For the purpose of calculating Debt Service:

(i) in the case of Balloon Bonds, it shall be assumed that the principal of such Balloon Bonds, together with interest thereon at the rate applicable to such Balloon Bonds as set forth in a Series Resolution or closing certificate shall be amortized in equal annual installments over a period equal to the longer of 30 years or the remaining term of the Balloon Bonds; and

(ii) in the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value becoming due at maturity, or by virtue of a mandatory sinking fund deposit, shall be included in the calculation of Debt Service.

“Debt Service Fund” shall mean the fund, and the accounts and subaccounts therein, established by the Trustee pursuant to Section 602.

“DTC” shall mean The Depository Trust Company of New York.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system or such other electronic system designated by the MSRB.

“Event of Default” shall have the meaning set forth in Section 1202.

“Executive Director” shall mean the Executive Director or Acting Executive Director of the Authority.

“Fees and Charges” shall mean all fees and charges and interest, premiums and other expenses authorized to be charged by the Authority pursuant to the Act, including without limitation Sections 44.85.080(8), (15) and (16) of the Act, and charged by the Authority to Borrowers pursuant to the terms and provisions of Loan Agreements.

“Fiduciary” or “Fiduciaries” shall mean the Trustee and Paying Agent, or any or all of them, as may be appropriate.

“Finance Director” means the Finance Director or Acting Finance Director of the Authority.

“Fiscal Year” or “Authority’s Fiscal Year” shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June or such other consecutive 12-month period as is authorized by statute and/or selected by the Authority.

“Fitch” shall mean Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than DBRS, Standard & Poor’s, Kroll or Moody’s) designated by the Authorized Officer.

“Government Obligations” shall mean direct and general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America, including any stripped interest or principal portions of United States obligations or of Resolution Trust Corporation securities.

“Interest Account” shall mean the account by that name established by Section 602.

“Interest Payment Date” shall mean any date upon which interest on any Bonds is payable in accordance with the terms thereof.

“Investment Securities” shall mean the following to the extent permitted by the Act and the laws of the State of Alaska; provided that to the extent permitted in Section 1001, this list may be revised from time to time:

- (1) Governmental Obligations;

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself);

(a) *Farmers Home Administration* (“FmHA”) Certificates of Ownership;

(b) *Federal Housing Administration* (“FHA”) Debentures;

(c) *General Services Administration* Participation certificates;

(d) *Government National Mortgage Association* (“GNMA” or “Ginnie Mae”) GNMA-guaranteed mortgage-backed bonds or GNMA-guaranteed pass-through obligations (participation certificates);

(e) *United States Maritime Administration* Guaranteed Title XI financing;

(f) *United States Department of Housing and Urban Development* (“HUD”) Project Notes Local Authority Bonds;

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following government agencies (stripped securities are only permitted if they have been stripped by the agency itself);

(a) *Federal Home Loan Bank System*. Senior debt obligations (Consolidated debt obligations);

(b) *Federal Home Loan Mortgage Corporation*. (“FHLMC” or “Freddie Mac”) rated AAA by Standard & Poor’s and Aaa by Moody’s Participation Certificates (Mortgage-backed securities) Senior debt obligations;

(c) *Federal National Mortgage Association*. (“FNMA” or “Fannie Mae”) rated AAA by Standard & Poor’s and Aaa by Moody’s Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal);

(d) *Student Loan Market Association*. (“SLMA” or “Sallie Mae”) Senior debt obligations;

(e) *Resolution Funding Corp*. (“REFCORP”) Only the interest component of REFCORP strips which have been stripped by request of the Federal Reserve Bank of New York in book-entry form are acceptable; and

(f) *Farm Credit System*. Consolidated systemwide bonds.

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G,” “AAAm” or “AAm” or by Moody’s of “Aaa” including funds from which the Trustee or its affiliates receive fees for investment advisory or other services to such fund;

(5) Certificates of Deposit (“CD”) secured at all times by collateral described in (a) and/or (b) above. CD’s must have a one-year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated “A-1+” or better by S&P, and “Prime-1” or better by Moody’s. The collateral must be held by a third party and the third party must have a perfected first security interest in the collateral;

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”), including Bank Insurance Fund (“BIF”) and Savings Association Insurance Fund (“SAIF”);

(7) Commercial paper rated “Prime-1” by Moody’s and “A-1+” or better by S&P and which matures not more than 270 days after the date of purchase;

(8) Bonds or notes issued by any state or municipality that are rated by Moody’s and S&P in the highest long-term rating category assigned by such agencies;

(9) Federal funds or bankers acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” by Moody’s and “A-1+” by S&P;

(10) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date; provided, however, that the repurchase agreement must satisfy certain criteria articulated in writing to the Authority by the Rating Agencies and such agreement must be approved in writing prior to its acquisition by each bond insurer then insuring any Series of Bonds; and

(11) Investment contracts with providers the long term, unsecured debt obligations of which are rated at least “Aaa” by one or more Rating Agencies.

“Kroll” shall mean Kroll Bond Rating Agency, Inc., a corporation incorporated under the laws of the State of Delaware, and any successor thereto and if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency (other than DBRS, Fitch, Moody’s and Standard & Poor’s).

“Loan” shall mean a loan made by the Authority to a Borrower pursuant to the Act and more particularly described in the applicable Series Resolution and Loan Agreement.

“Loan Agreement” shall mean an agreement, and any amendments thereto, entered into between the Authority and a Borrower setting forth, among other provisions, the terms and conditions of a Loan made in connection with Bonds issued pursuant to this 2016 Master Resolution.

“Loan Obligation” shall mean that amount of Bonds and the Bonds themselves issued by the Authority for the purchase of Borrower Bonds.

“Master Resolution” or “2016 Master Resolution” shall mean this 2016 Master Bond Resolution as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms and provisions hereof.

“Maximum Annual Debt Service” shall mean, with respect to the Outstanding Bonds of one or more Series, the highest remaining Annual Debt Service for the Bonds of such Series.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than DBRS, Fitch, Kroll or Standard & Poor’s) designated by the Authorized Officer.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Municipal Bond” shall have the meaning ascribed thereto in the Act.

“Operating Account” or “Operating Fund” shall mean the Authority Operating Account established within the Authority’s existing operating fund pursuant to Section 602.

“Original Issue Discount Bonds” shall mean Bonds that are sold at an initial public offering price of less than 95 percent of their principal or maturity amount and that are specifically designated as “Original Issue Discount Bonds” in the Series Resolution authorizing their issuance or in a certificate of an Authorized Officer authorized by the Series Resolution to designate such Bonds as Original Issue Discount Bonds.

“Outstanding” when used with reference to Bonds, other than Bonds excluded pursuant to Section 1105, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this 2016 Master Resolution and a Series Resolution except:

- (1) Any Bonds canceled by the Authority or the Trustee at or prior to such date;
- (2) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this 2016 Master Resolution and Series Resolution; and
- (3) Bonds paid, or deemed to have been paid as provided in Section 1301 or Section 1302.

“Owner” shall mean the registered owner of any Bond.

“Paying Agent” for the Bonds of any Series shall mean the bank or trust company and its successor or successors, which may include the Trustee, designated by the Authority as Paying Agent pursuant to the provisions of this 2016 Master Resolution and a Series Resolution or any other resolution of the Authority adopted prior to authentication and delivery of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Principal Account” shall mean the account by that name established by Section 602.

“Public Body” shall have the meaning ascribed thereto in the Act.

“Rating Agencies” shall mean Moody’s, Standard & Poor’s, Fitch, DBRS, Kroll or their respective successors and assigns and/or such other securities rating agency selected by the Authority to provide a rating with respect to a Series of Bonds, or any portion thereof, which Rating Agency, as of the applicable date, shall have assigned a rating to any Series of Bonds or any portion thereof.

“Rebate Fund” shall mean the fund by that name established by Section 602.

“Record Date” or “Regular Record Date” shall have the meaning set forth in the Series Resolution authorizing the particular Series of Bonds or if none is specified, “Record Date” or “Regular Record Date” for the Bonds of such Series shall mean the 15th calendar day before an Interest Payment Date.

“Redemption Account” shall mean the account by that name established by Section 602.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond, this 2016 Master Resolution and the Series Resolution pursuant to which the same was issued.

“Refunding Bonds” shall mean all Additional Bonds issued in one or more series for the purpose of refunding Bonds or other obligations of the Authority, including without limitation, bonds of the Alaska Municipal Bond Bank and all Bonds thereafter authenticated and delivered upon the transfer or exchange of or in lieu of or in substitution for such Bond in accordance with this 2016 Master Resolution and the applicable Series Resolutions.

“Regional Health Organization” shall have the meaning ascribed thereto in the Act.

“Reimbursement Obligations” shall mean, collectively, Credit Facility Reimbursement Obligations and Reserve Fund Credit Facility Reimbursement Obligations.

“Required Debt Service Reserve” shall mean as of any date of calculation, the amount required to be on deposit in the Reserve Fund, which amount shall be at least equal to the Reserve Fund Requirement.

“Reserve Fund” or “2016 Reserve Fund” shall mean the 2016 Master Bond Resolution Reserve Account established pursuant to Section 602 as a separate account within the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270(a) of the Act.

“Reserve Fund Credit Facility” shall mean a letter of credit, a policy from a monoline insurance company or an agreement with the State or with any department, political subdivision or agency thereof, credited to the Reserve Fund to satisfy all or a portion of the Reserve Fund Requirement for the Bonds of one or more Series.

“Reserve Fund Credit Facility Provider” shall mean the issuer of a Reserve Fund Credit Facility.

“Reserve Fund Credit Facility Reimbursement Obligation” shall mean the Authority’s obligation to reimburse a Reserve Fund Credit Facility Provider for amounts drawn under the Reserve Fund Credit Facility to pay debt service on Bonds, together with interest on such amount.

“Reserve Fund Obligations” or “Authority Reserve Fund Obligations” shall mean the Bonds issued by the Authority to obtain funds to be deposited to the Reserve Fund or to obtain a Reserve Fund Credit Facility in lieu thereof.

“Reserve Fund Requirement” shall mean the least of (i) Maximum Annual Debt Service with respect to all Bonds Outstanding; (ii) 125% of average Annual Debt Service with respect to all Bonds Outstanding; (iii) 10% of the initial principal amount of each Series of Bonds then Outstanding; or (iv) such lower amount as may be required by law. The Reserve Fund Requirement may be satisfied entirely, or in part, by one or more Reserve Fund Credit Facilities as provided for herein.

“Revenues” shall have the meaning ascribed thereto in the Act.

“Series of Bonds” or “Bonds of a Series” or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

“Series Resolution” shall mean a resolution of the Authority authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof.

“Series 2016A Bonds” shall mean the Alaska Municipal Bond Bank Authority General Obligation Bonds, Series 2016A issued pursuant to a Series Resolution for the purposes of, among other things, making Loans to two Regional Health Organizations.

“Standard & Poor’s” shall mean Standard & Poor’s Ratings Services, a business unit within Standard & Poor’s Financial Service LLC, a subsidiary of McGraw-Hill Financial, Inc., and its successors and assigns, except that if such corporation or division is dissolved or liquidated or no longer performs the functions of a securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than DBRS, Kroll, Moody’s or Fitch) designated by the Authorized Officer.

“State” shall mean the State of Alaska.

“Subordinate Obligation” shall mean bonds, notes and other obligations the payment of which, including scheduled payments of principal and interest, is subordinated to the payment of principal or Accreted Value of and premium, if any, and interest on Bonds and to payment of Credit Facility Reimbursement Obligations and Reserve Fund Credit Facility Reimbursement Obligations, including without limitation amounts owed to Credit Facility Providers or Reserve Fund Credit Facility Providers other than Credit Facility or Reserve Fund Credit Facility Reimbursement Obligations, respectively, in each case that are authorized pursuant to Section 205.

“Supplemental Resolution” shall mean a resolution supplemental to or amendatory of this 2016 Master Resolution (other than a Series Resolution) adopted by the Authority in accordance with Article X and/or Article XI.

“Trustee” shall mean the bank or trust company appointed pursuant to Section 801 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this 2016 Master Resolution.

“2005 General Obligation Bond Resolution” shall mean the General Obligation Bond Resolution adopted by the Board of Directors of the Alaska Municipal Bond Bank on July 13, 2005, as amended and supplemented from time to time.

“2016 Master Resolution” or “Master Resolution” shall mean this 2016 Master Bond Resolution as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms and provisions hereof.

“2016 Reserve Fund” or “Reserve Fund” shall mean the 2016 Master Bond Resolution Reserve Account established pursuant to Section 602 as a separate account within the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270(a) of the Act.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this 2016 Master Resolution, refer to this 2016 Master Resolution.

ARTICLE II
AUTHORIZATION OF BONDS, CREDIT FACILITY AND OTHER REIMBURSEMENT
OBLIGATIONS AND SUBORDINATE OBLIGATIONS

Section 201 - Authorization of Bonds and Reimbursement Obligations. (A) Subject to the provisions of Sections 203 and 204 and to the requirements of the Act, the Authority is authorized to issue Bonds for the purposes permitted by the Act and, except as provided in this 2016 Master Resolution or as may be limited by law, including the Act, without limitation as to amount. The Bonds may be issued in one or more Series pursuant to one or more Series Resolutions, each of which shall state the purpose or purposes for which the Bonds of such Series are being issued, and unless otherwise provided in the Series Resolution, the Bonds shall be substantially in the form attached hereto as Appendix A.

(B) Payment of the principal or Accreted Value of and premium, if any, and interest on Bonds issued under this 2016 Master Resolution and payment of Credit Facility Reimbursement Obligations, Reserve Fund Credit Facility Reimbursement Obligations and Subordinate Obligations, in the manner and to the extent provided herein, are secured by the continuing pledge, assignment and lien made and created pursuant to and in the order provided in Section 601 of this 2016 Master Resolution. The Bonds and such Reimbursement Obligations and Subordinate Obligations shall be obligations of the Authority payable solely from the sources provided in this 2016 Master Resolution and any Series Resolution.

(C) The State shall not be liable on the Bonds or on any Credit Facility Reimbursement Obligation, Reserve Fund Credit Facility Reimbursement Obligation or Subordinate Obligation, and none of the Bonds and none of such Reimbursement Obligations or Subordinate Obligations shall be a debt or liability, or constitute a pledge or loan of the faith and credit, of the State. The Bonds shall contain on the face thereof and each such other Obligation shall include a statement to the effect that the Authority is obligated to pay the principal or Accreted Value of, premium, if any, or interest on the Bonds and the interest thereon (and/or the payments due under such other Obligation) only from revenues or funds of the Authority pledged under or in accordance with this 2016 Master Resolution and that the State is not obligated to pay such principal, Accreted Value, premium, if any, or interest and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal or Accreted Value of, premium, if any, or the interest on the Bonds or other Obligations.

Section 202 - Issuance and Delivery of Bonds; Other Obligations. (A) As provided in the Series Resolution authorizing the issuance thereof, Bonds of a Series may be executed by or on behalf of the Authority and delivered to the Trustee for authentication and, upon compliance by the Authority with the requirements, if any, set forth in such Series Resolution and with the requirements of Section 203 and, in the case of Refunding Bonds, Section 204, the Trustee thereupon shall authenticate and deliver such Bonds to or upon the order of the Authority.

(B) The Authority expressly reserves the right to adopt one or more other general obligation bond resolutions and reserves the right to issue notes and any other obligations so long as the same are not a charge or lien on the Borrower Bonds, the Borrower Payments and the Fees and Charges or payable from or a charge or lien on the Debt Service Fund or the Reserve Fund created pursuant to this 2016 Master Resolution.

Section 203 – General Provisions for Issuance of Bonds. (A) Bonds may be issued and secured under this 2016 Master Resolution for the purposes of (i) making Loans to Borrowers; (ii) making deposits to the Interest Account; (iii) making deposits to the Reserve Fund and/or paying the cost of obtaining a Reserve Fund Credit Facility in lieu thereof; (iv) paying notes, bonds or other obligations theretofore issued by the Authority for any purposes for which Bonds may or may have been issued; (v) refunding Bonds, Authority Reserve Fund Obligations, Subordinate Obligations and/or other obligations and related purposes as provided in Section 204(A); (vi) paying premiums or other costs of acquiring Credit Facilities and paying costs of issuing the Bonds or other Obligations and payments on Reserve Fund Obligations; (vii) refunding Outstanding Bonds and/or bonds or notes of the Authority or the Alaska Municipal Bond Bank and paying costs in connection therewith; and (viii) any other purposes then authorized by law.

(B) No Additional Bonds shall be issued after the issuance of the Series 2016A Bonds unless:

(1) the aggregate principal amount of Bonds and notes of the Authority outstanding at the time of issuance and delivery of such Additional Bonds, including the principal amount or Accreted Value of such Additional Bonds, will not exceed any limit thereon imposed by law;

(2) at the time of the issuance of such Additional Bonds, no deficiency exists in the amounts required by this 2016 Master Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund (unless such deficiency will be cured by depositing proceeds of the Bonds being issued);

(3) the amount of the Reserve Fund, upon the issuance and delivery of such Additional Bonds and the deposit in the Reserve Fund of any amount or Reserve Fund Surety Policy provided therefor in the Series Resolution authorizing the issuance of such Additional Bonds, shall not be less than the Required Debt Service Reserve; and

(4) the annual Debt Service scheduled to be paid on the Additional Bonds then being issued representing Loan Obligations shall not be more than the scheduled Borrower Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued; and except as otherwise provided in a Series Resolution, the additional Authority Reserve Fund Interest Expense shall not be more than such Borrowers' Allocable Proportions of such Authority Reserve Fund Interest Expense.

(C) The issuance of the Bonds shall be authorized by a Series Resolution or Series Resolutions of the Authority, and the Bonds may be issued in one or more Series. Each Series Resolution authorizing the issuance of Bonds of a Series shall specify, in addition to the information required in Section 501(A):

(1) The authorized principal amount of the Bonds of such Series;

(2) The date and the maturity date or dates, the principal amounts of Bonds of each maturity of such Series and whether the Bonds of such maturity are term bonds or serial Bonds, or the method of determining the same, and whether any of the Bonds of such Series are to be issued as Capital Appreciation Bonds or Original Issue Discount Bonds;

(3) (i) The interest rate or rates (if any) or maximum interest rate of the Bonds of such Series, or the method of determining such rate or rates (which may be set forth in a certificate authorized thereby, which may accrete or compound with such frequencies or in such manner as shall be specified in such Series Resolution or in a certificate authorized by the Series Resolution and which shall be as otherwise specified in the Series Resolution or certificate authorized thereby), and the Interest Payment Dates and Record Dates therefor and (ii) a manner of calculating Accreted Value or compounded principal value during all or any part of the term of the Bonds of the Series being authorized, if interest is not payable currently and if the Authority determines that it is necessary or appropriate;

(4) The Authorized Denomination or Denominations, and the manner of numbering and lettering, of the Bonds of such Series, in each case if not as specified in this 2016 Master Resolution;

(5) The Paying Agent or Paying Agents; and the place or places of payment of the principal or Accreted Value of and premium, if any, of and interest on the Bonds of such Series or the manner of appointing and designating the same;

(6) The Redemption Price or Prices, if any, and, subject to the provisions of Article IV, the optional redemption terms for the Bonds of such Series or the method of determining the same;

(7) The mandatory redemption provisions, if any, of any term Bonds or the method of determining such provisions;

(8) The form or forms of the Bonds of such Series and of the Trustee's certificate of authentication, if not as provided in this 2016 Master Resolution;

(9) The manner of execution of the Bonds of such Series if not as provided in this 2016 Master Resolution;

(10) If, at the time of issuance of the Bonds of such Series, such Bonds are to be secured by a Credit Facility and/or if a Reserve Fund Credit Facility is to be credited to the Reserve Fund, the authorization or delegation to the Authorized Officer to approve the form of Credit Facility or Reserve Fund Credit Facility to be obtained, the identity of the Credit Facility Provider or of the Reserve Fund Credit Facility Provider and the form or forms of the agreements relating to the Credit Facility or Reserve Fund Credit Facility and to any Reimbursement Obligations;

(11) Any other provisions deemed advisable by the Authority and not in conflict with the provisions of this 2016 Master Resolution.

All Bonds of each Series and maturity shall be identical in all respects, except as to principal amount, denominations, interest rate, numbers and letters.

(D) The Bonds of each Series shall be executed by the Authority for issuance under the Series Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or to such other party as may be specified in a written order of the Authority, but only upon the receipt by the Trustee of:

(1) A Counsel's Opinion to the effect that (i) this 2016 Master Resolution, together with such Series Resolution, constitutes the valid and binding obligation of, the Authority; (ii) this 2016 Master Resolution creates a valid pledge of the Borrower Bonds, Borrower Bond Payments, the investments thereof and the proceeds of such investments and any other amounts held by the Trustee (other than the Rebate Fund), subject to the provisions permitting the application thereof for the purposes and on the terms set forth in the 2016 Master Resolution and the Series Resolution; and (iii) the Bonds of such Series constitute the valid and binding obligations of the Authority (in each case, except that the rights and remedies and the enforcement thereof may be subject to applicable bankruptcy, reorganization, insolvency, moratorium, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations of legal remedies against public corporations of the State);

(2) A written order as to the authentication and delivery of such Bonds, signed by an Authorized Officer;

(3) Either an original of the Series Resolution authorizing such Series or a certified copy thereof;

(4) Except in the case of Refunding Bonds, a certificate of an Authorized Officer stating that no Event of Default has occurred and is continuing under this 2016 Master Resolution;

(5) Any further documents, opinions, moneys and/or securities and required by the provisions of this Section 203, Section 204 or Article X or XI (in the case of a Supplemental Resolution), or Article XIII (in the case of Refunding Bonds) or by any applicable Series Resolution or Supplemental Resolution.

Section 204 - Provisions for Refunding Bonds. (A) All or any part of one or more Series of Bonds may be authenticated and delivered to refund all Outstanding Bonds or all or any portion of the Outstanding Bonds of any one or more Series; bonds issued by the Authority under its 2005 General Obligation Bond Resolution and/or all or any part of Credit Facility Reimbursement Obligations, Reserve Facility Reimbursement Obligations, Reserve Fund Obligations, Subordinate Obligations or other obligations for which Bonds or bonds of the Alaska Municipal Bond Bank may be issued. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits as are required by the applicable provisions of the Act, of this 2016 Master Resolution (including Article XIII and this Section) and of the Series Resolution authorizing said Series of Refunding Bonds or in the case of refundings of bonds issued under the Authority's 2005 General Obligation Bond Resolution, the applicable provisions of that resolution.

(B) From and after the delivery of the Refunding Bonds of a Series and unless otherwise directed by an Authorized Officer, the Trustee shall make appropriate adjustments between the Interest Account and Principal Account when disbursing and applying Borrower Bond Payments deposited in the Debt Service Fund pursuant to the provisions of Section 604 to the end that such portion of the Borrower Bond Payments that represent Borrower Bond Interest Payments not required for deposit in the Interest Account for the purpose of paying interest accruing upon the

Bonds shall be deposited in the Principal Account. Any surplus that might result upon and after such deposit shall be disposed of in the manner specified in the Series Resolution authorizing the Bonds of such Series.

Section 205 – Authorization of Subordinate Obligations. The Authority may issue Subordinate Obligations, provided that no such Subordinate Obligations shall be subject to acceleration of the maturity thereof following an event of default unless the Bonds have been accelerated after an Event of Default. For this purpose, “acceleration” does not include an indirect acceleration of the maturity thereof (i) through reimbursement obligations to a Credit Facility Provider occurring as a result of a mandatory tender for purchase or (ii) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase.

ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS

Section 301 - Description of Bonds; Payment. (A) The Bonds of each Series issued under the provisions hereof may be issued only as registered bonds and subject to Section 303 hereof, each Bond shall be entitled “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds” and shall bear such additional letter or number series designation as shall be determined in the Series Resolution authorizing the Bonds of such Series. Unless otherwise specified in the Series Resolution authorizing such the Bonds of such Series, the Authorized Denomination of the Bonds of each Series, maturity and interest rate shall be \$5,000 or any integral multiple thereof; and unless otherwise specified in such Series Resolution, the Bonds of such Series shall be numbered consecutively from 1 upwards, shall be Current Interest Bonds and shall bear interest payable on Interest Payment Dates specified or provided for in the Series Resolution.

(B) The Bonds of each Series issued hereunder shall be dated as of and shall bear interest from the date specified in the Series Resolution that authorized such Series, which date may be contemporaneous with or prior to or after the date of issuance of such Bonds.

(C) Both the principal or Accreted Value of and the interest on the Bonds shall be payable in any coin or currency of the United States of America, as at the respective time of payment shall be legal tender for payment of public and private debts. Except as provided in Section 310 or in a Series Resolution for Bonds of a Series, for so long as all Outstanding Bonds of a Series are registered in the name of Cede & Co. (or in such other nominee name as may be requested by an authorized representative of DTC) or its registered assigns, payment of principal and interest on such Bonds shall be made as provided in the Letter of Representations and the operational arrangements referred to therein as amended from time to time. In the event that Bonds no longer are registered in the name of Cede & Co. (or such other nominee name or registered assigns) or to a successor securities depository, payment of the interest on such Bond shall be made to the person appearing as the Owner on the Bond registration books of the Authority kept for such purpose by the Trustee, as registrar, by check or draft mailed to the Owner at her or his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds of a Series, by wire transfer to a bank account designated by the Owner in written instructions furnished to the Trustee. The interest on Bonds

so payable, and punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person who is the Owner thereof at the close of business on the applicable Record Date for such interest, and the principal or Accreted Value of and premium, if any, on such Bonds are payable upon presentation and surrender thereof at the designated corporate trust office of the Trustee, as paying agent, except as otherwise provided by Series Resolution. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

Section 302 - Legends. The Bonds of each Series shall contain or have endorsed thereon the statement required by Section 201(C) of this 2016 Master Resolution and may contain or have endorsed thereon such other provisions, specifications and descriptive words not inconsistent with the provisions of this 2016 Master Resolution as may be necessary or desirable to comply with the applicable Series Resolution, with custom or otherwise, as may be determined by the Authority prior to the delivery thereof to the Owner.

Section 303 - Execution and Authentication. (A) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its Secretary or Executive Director, Finance Director or such other officer or employee of the Authority as shall be directed by the Board in a Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bonds of a Series may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Authority, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

(B) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Series Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this 2016 Master Resolution and the applicable Series Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this 2016 Master Resolution and the Series Resolution and that the Owner thereof is entitled to the benefits thereof.

Section 304 - Interchangeability of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or attorney duly authorized in writing, may, at the option of the Owner, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, maturity, and interest rate as the surrendered Bond.

Section 305 - Negotiability, Transfer and Registry. All of the Bonds issued under this 2016 Master Resolution shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained in this 2016 Master Resolution and the applicable Series Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Accreted Value and the premium, if any, of and the interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and to save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this 2016 Master Resolution, in so treating any such registered owner.

Section 306 - Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this 2016 Master Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may, as a condition precedent to the privilege of making such exchange or transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Notwithstanding any other provision of this 2016 Master Resolution the cost of preparing each registered Bond upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Authority as an Administrative Expense. Except as otherwise provided in a Series Resolution, neither the Authority nor the Trustee shall be required (i) to make any exchange or transfer of Bonds of any Series during the ten (10) days (or such other period of time as may be specified in the Series Resolution authorizing such Series) next preceding an Interest Payment Date on Bonds of such Series or preceding any selection of Bonds of such Series to be redeemed or (ii) to transfer or exchange any Bonds previously called for redemption.

Section 307 - Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of like Series, maturity, interest rate and aggregate principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and

substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Authority evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Authority. Any such new Bonds issued pursuant to this section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, regardless of whether the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution, in any moneys or securities held by the Authority or the Fiduciaries for the benefit of the Owners. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, stolen or lost Bonds and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender. If an Owner satisfies the conditions set forth in this section for the replacement of a mutilated Bond or a Bond alleged to be destroyed, stolen, or lost and such Bond has matured or all principal thereof and interest thereon shall become due for any other reason, then the Trustee may pay such principal or Accreted Value of and the interest on such Bond without issuing a replacement Bond.

Section 308 - Preparation of Definitive Bonds; Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued in such denominations as may be authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender thereof of such temporary Bonds to the Trustee. The Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor definitive Bonds of the same aggregate principal amount and Series, interest rate and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this 2016 Master Resolution.

If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Owner of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity and interest rate of any other Authorized Denomination or Denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 306, shall deliver a temporary Bond or Bonds of like

aggregate principal amount, Series and maturity and interest rate in such other Authorized Denomination or Denominations as shall be requested by such Owner.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 309 - Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee (other than for its own account), or Bonds delivered to the Trustee by the Authority shall thereupon be promptly cancelled. Bonds so cancelled may, at any time, be cremated or otherwise destroyed by the Trustee, who shall execute a Certificate of cremation or destruction in duplicate by the signature of one of its authorized officers describing the Bonds so cremated or otherwise destroyed, and one executed Certificate shall be filed with the Authority and the other executed Certificate shall be retained by the Trustee.

Section 310 - Book-Entry System. (A) Unless otherwise provided in a Series Resolution, the Bonds of a Series shall be registered initially in the name of "Cede & Co." (or such other nominee name as may be requested by an authorized representative of DTC), as nominee of DTC, and shall be issued initially in the form of a single bond for each maturity and interest rate, in the aggregate principal amount for such maturity and interest rate. Transfers of ownership of the Bonds of such Series or any portions thereof, may not thereafter be registered except transfers (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository or such substitute depository's successor; or (iii) to any person as provided in paragraph (D) below.

(B) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Authority that it is no longer in the best interest of Beneficial Owners to continue the system of book-entry transfers through DTC or its successors (or any substitute depository or its successor), the Authority may appoint a substitute depository or provide that the Bonds of such Series no longer be held by a depository and instead be held as provided below in paragraph (D). Any substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(C) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (A) above, the Trustee shall, upon receipt of all Outstanding Bonds of such Series, together with a written request of an Authorized Officer and a supply of new Bonds of that Series, authenticate a single new Bond for the Outstanding Bonds of such Series and each maturity and interest rate, registered in the name of such successor or such substitute depository, or its nominee, as the case may be, all as specified in such written request.

(D) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Authority determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the ownership of the Bonds of such Series may then be transferred to

any person or entity, and the Bonds of such Series no longer shall be held in book-entry form. An Authorized Officer shall deliver a written request to the Trustee to authenticate the Bonds of such Series in any authorized denomination, together with a supply of definitive Bond certificates. Upon receipt by the Trustee of all then Outstanding Bonds of such Series, together with a written request of an Authorized Officer to the Trustee, new Bonds of such Series shall be issued and authenticated in such Authorized Denominations and registered in the names of such persons as are requested in such written request.

(E) For so long as Outstanding Bonds are held in book-entry form, the Authority and the Trustee may treat DTC (or its nominee) or any substitute depository (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of principal or Accreted Value of, premium, if any, and interest on such Bonds, selecting such Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners under this 2016 Master Resolution and applicable Series Resolutions (except as otherwise provided pursuant to Section 1102 of this 2016 Master Resolution), registering the transfer of such Bonds and obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever; and neither the Bank nor the Trustee shall be affected by any notice to the contrary. Neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant (or by any substitute depository or participant); the payment by DTC or any DTC Participant (or by any substitute depository or participant) of any amount in respect of the principal or Accreted Value of, premium, if any, or interest on the Bonds, any notice that is permitted or required to be given to Owners under this 2016 Master Resolution or any Series Resolution, the selection by DTC or any DTC Participant (or by any substitute depository or participant) of any person to receive payment in the event of a partial redemption of the Bonds of a Series or maturity, or any consent given or other action taken by DTC as Owner. The Trustee shall pay from money available under this 2016 Master Resolution and any Series Resolution all principal, Accreted Value, premium, if any, and interest on Bonds only to or upon the order of DTC if the Bonds are then registered to DTC or its nominee, and all such payments shall be valid and effective to satisfy fully and to discharge the Authority's obligations in respect of the principal or Accreted Value of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

ARTICLE IV REDEMPTION OF BONDS

Section 401 - Redemption Provisions. The Bonds of each Series may be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by the related Series Resolution. Except as otherwise provided in a Series Resolution, if less than all of the Bonds of any Series and maturity shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 404 herein, to be redeemed shall be selected by lot in accordance with the operational arrangements of DTC or in the case of Bonds not held in a book-entry system by the Trustee, in any manner as the Trustee, in its sole discretion, may deem appropriate and fair.

Section 402 - Notice of Redemption. (A) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 402. Unless otherwise specified in the Series Resolution authorizing the issuance of the applicable Series of Bonds, notice of redemption (i) shall be filed with the paying agent designated for the Bonds being redeemed and (ii) shall be mailed by first class mail, postage prepaid, to all Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Trustee, at least twenty (20) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(1) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds, the maturity date or dates and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(2) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date or dated date of and interest rate on such Bonds;

(3) in the case of partial redemption of any Bonds of a Series, the respective principal amounts (or Accreted Value) thereof to be redeemed, the maturity date or dates and the interest rates thereof;

(4) the date of mailing of redemption notices and the date fixed for redemption;

(5) the Redemption Price;

(6) that, except as described below in the case of a conditional notice of optional redemption, on the date fixed for redemption the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(7) the place where such Bonds are to be surrendered for payment of the Redemption Price, designating the name and address of the redemption agent with the name of a contact person and telephone number; and

(8) in the case of optional redemption, that the notice is conditional and that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the date fixed for redemption and that such notice shall be of no effect unless such moneys are so deposited.

Any notice mailed shall be effective when mailed and will be conclusively presumed to have been duly given, whether or not the Owner of such Bond or Bonds receives the notice.

(B) In the case of optional redemption, if money sufficient to pay the principal or Accreted Value of and premium, if any, and interest on the Bonds to be redeemed is not received by the Trustee on or prior to the date fixed for redemption, the notice of redemption of such Bonds will be of no force and effect, such Bonds will not be redeemed and the Redemption Price thereof will not be due and payable. In such event, the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such money was not so received and that such Bonds will not be redeemed.

(C) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue, interest rate and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(D) In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the date fixed for redemption, upon surrender of such Bond, a new Bond of the same Series, maturity and interest rate and in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 403 - Effect of Notice of Redemption. Unless, in the case of optional redemption, the conditions to redemption are not satisfied and the notice of redemption is rescinded or deemed to have been rescinded, on the date fixed for redemption, the Bonds (or portions thereof) so called for redemption shall become due and payable and provided that moneys are then on deposit with the Trustee, interest on such Bonds shall cease to accrue and such Bonds (or portion thereof) shall cease to be Outstanding.

Section 404 - Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the Series Resolution authorizing the issuance of the applicable Series of Bonds, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Authority shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Owner thereof, at the expense of the Authority, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Series Resolution, a portion of any Bond of a denomination of more than the minimum Authorized Denomination to be redeemed will be in the principal amount of the minimum Authorized Denomination or an integral multiple thereof, and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Bonds by the minimum Authorized Denomination.

ARTICLE V

CUSTODY AND APPLICATION OF CERTAIN PROCEEDS OF BONDS

Section 501 - Application of Certain Proceeds. (A) Each Series Resolution authorizing the issuance of a Series of Bonds, a portion of the proceeds derived from the sale of which is to be applied to the purchase of Borrower Bonds, shall specify the name of each Borrower that is to receive a Loan by the Authority from such proceeds and the amount of such proceeds to be applied to the making of each such Loan, which, without regard to premium, shall be not more

than the amount of each such Loan. Contemporaneously with the issuance, sale and delivery of the Bonds of any Series, the Authority shall apply the amount of the proceeds derived from the sale of such Series of Bonds, if any, as shall be specified in said Series Resolution for the purpose of making such Loans to each of the Borrowers specified in the Series Resolution authorizing the issuance of the Bonds of such Series.

(B) Accrued interest, if any, received upon the delivery of the Bonds of such Series shall be deposited in the Interest Account. The amount received as a premium over the principal amount of such Series of Bonds, if any, upon the delivery of such Series of Bonds shall be applied as provided in the Series Resolution authorizing the Bonds of such Series.

(C) The amount, if any, necessary to cause the amount on deposit in the Reserve Fund to satisfy the Reserve Fund Requirement shall be deposited to the Reserve Fund and/or the amount necessary to obtain a Reserve Fund Credit Facility in lieu of depositing all or a portion of such amount in cash, shall be applied to pay the premium for such Reserve Fund Credit Facility for credit to the Reserve Fund.

(D) Any remaining proceeds derived from the sale of a Series of Bonds shall be applied as provided in the Series Resolution authorizing such Series of Bonds.

Section 502 - Loans. (A) A Loan to each Borrower shall be made from the portion of the proceeds derived from the sale of the Bonds of each Series specified in the Series Resolution authorizing the issuance of such Series of Bonds and the amount of each such Loan shall be the amount specified in such Series Resolution or in a certificate of an Authorized Officer as provided therein. All such payments made pursuant to such Series Resolution shall be subject to the provisions and restrictions of this Article V, and the Authority covenants that it will not cause or permit to be paid from such portion of the proceeds derived from the sale of such Series of Bonds any sums except in accordance with such provisions and restrictions.

(B) The Trustee shall pay to or for the account of each Borrower as provided in the Series Resolution or in a certificate of an Authorized Officer the amount of the Loan upon receipt by the Trustee of:

(1) a written requisition of the Authority signed by an Authorized Officer stating

(a) the name of the Borrower to which the payment is to be made; and

(b) the amount to be paid;

(2) a certificate of the Authority, signed on its behalf by an Authorized Officer and attached to the requisition, certifying that the terms and provisions of the Loan Agreement providing for such Loan are in compliance with the Loan Agreement requirements set forth in Section 910, and that to the knowledge of such Authorized Officer such Borrower is not in default under any of the terms or provisions of said Loan Agreement;

(3) the opinion of the Borrower's counsel required by Subsection 910(b), addressed to the Authority; and

(4) the Borrower Bonds, registered as to both principal and interest in the name of the Authority or the Trustee and delivered in accordance with the Act.

Upon receipt of such requisition, accompanying certificate, Counsel's Opinion and Borrower Bonds, the Trustee shall pay such amount directly to the Borrower or Borrowers entitled thereto as named in such requisition.

Section 503 - Retention and Inspection of Documents. All requisitions and certificates and Counsel's Opinions and Borrower Bonds received by the Trustee, as required in this Article V as conditions of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection by the Authority.

ARTICLE VI

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

Section 601 – Pledges, Assignments and Other Security. (A) The Bonds are Master Resolution general obligations of the Authority, and the full faith and credit of the Authority are pledged to the payment of the principal or Accreted Value of and premium, if any, and interest on the Bonds, excluding and subject to any agreements heretofore and hereafter made with the owners of any other notes or bonds or with parties to other agreements of the Authority (or of the Bond Bank) pledging, any particular revenues or assets not pledged under this 2016 Master Resolution and excluding particular revenues or assets, such as revenues and investments in the Operating Fund and accounts therein, from any pledge. The Bonds and any Reimbursement Obligations and Subordinate Obligations are payable solely from the sources provided in and pledged pursuant to this 2016 Master Resolution and any Series Resolution.

(B) The Borrower Bonds and the Borrower Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by this 2016 Master Resolution and by any Series Resolution (other than the Rebate Fund) to be held by the Trustee are hereby pledged and assigned to the Trustee **first**, for the benefit of the Owners of the Bonds and Credit Facility Providers, to secure the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds and any Credit Facility Reimbursement Obligations; **second**, for the benefit of Reserve Fund Credit Facility Providers to secure the payment of amounts required to reimburse such Reserve Fund Credit Facility Providers for amounts drawn under Reserve Fund Credit Facilities; and **third**, for the benefit of owners of Subordinate Obligations, including without limitation, to secure the payment to Credit Facility Providers of amounts other than Credit Facility Reimbursement Obligations and to secure payments to Reserve Fund Credit Facility Providers of amounts other than payments of Reimbursement Obligations; in each case in accordance with the terms and provisions of this 2016 Master Resolution and applicable Series Resolutions and subject only to the lien of the Trustee to the extent provided in Section 805 and subject to other provisions of this 2016 Master Resolution and Series Resolutions permitting the application of proceeds for the purposes and on the terms and conditions set forth therein. This pledge shall be valid and binding from and after the date of adoption of this 2016 Master Resolution, and the Borrower Bonds and the Borrower Payments and all other monies and securities in the funds and accounts established by this 2016 Master Resolution and Series Resolutions (other than any Rebate Fund) to be held by the Trustee hereby pledged shall immediately be subject to the lien of such pledge without any further act, and such

lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, regardless of whether such parties have notice thereof.

Section 602 - Establishment of Funds and Accounts. (A) The Alaska Municipal Bond Bank Authority Debt Service Fund (the “Debt Service Fund”) is hereby established and shall be maintained and held by the Trustee pursuant to the provisions of this 2016 Master Resolution. There is hereby created and established in the Debt Service Fund an “Interest Account,” a “Principal Account” and a “Redemption Account,” each of which shall be held by the Trustee. Amounts in the Interest Account, the Principal Account and the Redemption Account (and in any subaccount created therein) shall be used solely for the purpose of paying when due (or reimbursing Credit Facility Providers for the payment when due) of the principal or Accreted Value of, premium, if any and interest on the Bonds on the dates and in the manner provided herein and in the applicable Series Resolution. Amounts deposited in the Interest Account, the Principal Account and Redemption Account shall be disbursed and applied by the Trustee to pay such amounts when due.

(B) There is hereby established within the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270 of the Act, an 2016 Master Bond Resolution Reserve Account (the “Reserve Fund”), which shall be maintained and held by the Trustee pursuant to the provisions of this 2016 Master Resolution.

(C) There is hereby established a Rebate Fund, and within such fund, a separate account for each Series of Bonds.

(D) There is hereby established a 2016 operating account (the “Operating Account”) within the Authority’s existing operating fund. The Operating Fund, including the Operating Account, shall be held by the Authority.

Section 603 - Reserve Fund; Authority Reserve Fund Obligations; Interest on Authority Reserve Fund Obligations. (A) On or before the first day of each month, the Trustee shall set aside from amounts in the Reserve Fund derived from amounts paid to the Trustee, or transferred to the Trustee by the Authority from payments by Borrowers of their Allocable Proportion of Authority Reserve Fund Interest Expense and if such Borrower payments are not sufficient, then from income or interest earned and profits realized by the Reserve Fund due to the investment thereof or other amounts made available by the Authority, an amount that, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such day be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month. If the Authority directs, said amounts may be deposited in an account which the Trustee shall create in the Reserve Fund under the name of “Authority Reserve Fund Obligations Interest Account.” On or before each interest payment date of the Authority Reserve Fund Obligations, said amounts shall be deposited in the Interest Account.

(B) On or before each date on which the principal or Accreted Value of Authority Reserve Fund Obligations is due, either at maturity or on a mandatory sinking fund redemption date, the Trustee shall withdraw from amounts in the Reserve Fund and deposit in the Principal Account, an amount that, when added to the amount then on deposit in the Principal Account and

derived from sources other than Borrower Payments, will be equal to the principal amount of the Authority Reserve Fund Obligations due on such date.

(C) On or before June 30 of each year, after complying with the provisions of paragraphs (A) and (B) above to the extent required by such date and in addition to withdrawals permitted pursuant to Section 607, the Trustee shall withdraw from the Reserve Fund, any amount remaining therein derived from income or interest earned and profits realized by the Reserve Fund due to the investment thereof, and pay over said amount to the Authority for deposit to the Custodian Account or as otherwise directed by an Authorized Officer, but only to the extent that there remains after such withdrawal an amount in the Reserve Fund, including the face amount of Reserve Fund Credit Facilities at least equal to the Required Debt Service Reserve.

(D) The Reserve Fund Requirement may be satisfied with (i) monies made available by the State and paid or delivered to the Authority for the purpose of the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270 of the Act in the amount provided by a Series Resolution; (ii) all monies paid to the Authority pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Required Debt Service Reserve; (iii) such portion of the proceeds of sale of Bonds, if any, as shall be provided by any Series Resolution; (iv) one or more Reserve Fund Credit Facilities; (v) monies transferred by the Authority from the Authority's Custodian Account, Reserve Fund Credit Facilities or Operating Account; (vi) any monies that may be made available to the Authority for deposit to the Reserve Fund from any other source or sources; or (vii) any combination of the foregoing.

(E) Upon failure of a Borrower to make any principal or interest payment when due pursuant to its Loan Agreement and in any event if on the seventh day before a principal or interest is due on Bonds, the amount on deposit in the applicable Debt Service Account is not sufficient to make such payment on the principal or interest payment date, the Trustee shall notify the Executive Director immediately and the Executive Director shall take, or direct the Trustee to take, the actions provided in Section 906(D).

(F) If on any Interest Payment Date or principal payment date (whether a maturity date or a mandatory sinking fund redemption date) a deficiency in the Interest Account or in the Principal Account exists, the Trustee shall make up such deficiency or deficiencies from the Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of securities held in the Reserve Fund, if necessary, in such amounts as will, on or before such payment date or dates, provide monies for deposit to the Interest Account and/or the Principal Account, as applicable, sufficient to make up any such deficiency. If a deficiency still exists immediately prior to a debt service payment date and after the withdrawal of cash and securities, the Trustee then shall draw from any Reserve Fund Credit Facility (*pro rata*, in proportion to the maximum available amount, if there is more than one Reserve Fund Credit Facility for the Bonds) in sufficient amount to make up such difference. Such draws shall be made at the times and under the conditions required by the Reserve Fund Credit Facilities.

Section 604 - Interest Account, Principal Account and Redemption Account. (A) Except as otherwise provided in paragraph 603(A) or in paragraph (B) of Section 204, the Trustee shall deposit Borrower Interest Payments and any other monies available for the payment of interest in the Interest Account upon receipt thereof. The Trustee shall, on or before each Interest Payment

Date and on each date fixed for redemption, withdraw from the Interest Account and pay, or provide for the payment of, interest then due on the Bonds, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such interest.

(B) The Trustee shall deposit Borrower Principal Payments and any other monies available for the payment of principal or Accreted Value in the Principal Account, upon receipt thereof. On or before each principal payment date for Outstanding Bonds, including any mandatory sinking fund redemption date for term Bonds, The Trustee shall, on or before each principal payment date or mandatory sinking fund redemption date, for the Bonds, pay or provide for the payment, the principal or Accreted Value then due, whether at maturity or upon mandatory sinking fund redemption, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such principal, Accreted Value and mandatory sinking fund redemption payments.

(C) The Trustee shall establish in the Redemption Account a separate subaccount for the Bonds of each Series Outstanding.

(1) Any monies deposited into the Redemption Account from any source other than pursuant to Section 913 shall be applied to the purchase or redemption of Bonds in a manner to be determined by the Authority in accordance with Article IV.

(2) The Authority shall deposit or cause to be deposited in the Redemption Account such portion of the monies received as the proceeds of sale or redemption of Borrower Bonds, as required by Section 913, and, upon any such deposit, shall advise the Trustee in writing of the Bonds to which the same relates. Upon receipt, such monies shall be set aside by the Trustee in the appropriate Series subaccount. Monies so held by the Trustee in each separate subaccount shall be applied to the purchase or retirement of Bonds of the Series in respect of which such subaccount was created as directed by an Authorized Officer. As provided in Section 913, any monies remaining in the Redemption Account after the purchase or redemption of the applicable Bonds, shall at the Authority's direction be transferred to the 2016 Operating Account.

Section 605 - Rebate Fund. (A) The Trustee shall establish and thereafter maintain, so long as the Bonds the interest on which is intended to be tax-exempt are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this 2016 Master Resolution and from all other moneys of the Trustee.

(B) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of this 2016 Master Resolution. The Trustee shall withdraw amounts from the Rebate Fund only at the written direction of the Authority. The Trustee shall have no responsibility to monitor or to enforce the Authority's compliance with the tax covenants hereunder. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of the rebate requirement, the Trustee shall, upon the Authority's request, withdraw from the Rebate Fund and pay to or upon the order of the Authority an amount, not to exceed such excess, to the Authority for deposit to the Operating Account or the Custodian Account as directed by an Authorized Officer.

Section 606 - Operating Account and Custodian Account. There shall be deposited in the Operating Account all Fees and Charges collected by the Authority or the Trustee, to the extent not otherwise encumbered or pledged, and any other monies which may be made available to the Authority for the purposes of the Operating Account or the Custodian Account as directed by the Authority from any other source or sources including, without limiting the generality of the foregoing, amounts transferred pursuant to paragraph (C) of Section 603, subparagraph of paragraph (C)(2) of Section 604 and the amount received as a premium over the principal amount of a Series of Bonds, if any, to the extent provided in the Series Resolution authorizing such Series or in a certificate authorized thereby. Monies at any time held for the credit of the Operating Account or the Custodian Account shall be used for and applied solely to the following purposes:

(a) To pay the Administrative Expenses of the Authority;

(b) To pay the fees and expenses of the Trustee and Paying Agents;

(c) To pay financing costs incurred with respect to Bonds of a Series, including payments related to Reserve Obligations, including Authority Reserve Fund Interest Expense and Reimbursement Obligations and/or costs, not paid from other sources, of obtaining Credit Facilities and Reserve Fund Credit Facilities, including fees and expenses of the attorneys, initial Trustee's and Paying Agents' fees and expenses, costs and expenses of financial consultants and investment managers, printing costs and expenses, the payment to any officers, departments, boards, agencies, divisions and commissions of, or reimbursement to, the State of any statement of cost and expense or advances rendered to the Authority pursuant to the Act, and all other financing and other miscellaneous costs; and

(d) To pay any expenses or costs in carrying out any other purpose then authorized by the Act.

All amounts in the Operating Account and the Custodian Account shall be free and clear of any lien or pledge created by this 2016 Master Resolution but shall be held and applied in accordance with this section.

Section 607 - Reduction of Required Debt Service Reserve. In addition to withdrawals permitted to be made pursuant to Section 603(C), whenever the amount on deposit in the Reserve Fund exceeds the Required Debt Service Reserve, the Trustee shall, upon the written request of the Authority signed by an Authorized Officer, withdraw such excess amounts from the Reserve Fund and transfer such amounts to the Authority free and clear of any lien or pledge created by this 2016 Master Resolution. The amount to be withdrawn from the Reserve Fund shall be determined by the Authority and certified to the Trustee in writing signed by an Authorized Officer. The Authority agrees that amounts released to it pursuant to this Section 607 shall be used in a manner that will not in and of itself adversely affect the exclusion of interest on Outstanding Bonds from gross income for federal income tax purposes.

Section 608 - Trustee's Maintenance of Records of Receipts, Deposits and Transfers and of Payments of Bonds and Other Obligations. In connection with receipts of Borrower payments and deposits, draws and payments under Credit Facilities and Reserve Fund Credit Facilities and

Reimbursement Obligations and the payment, redemption or purchase of all Bonds under the provisions of this 2016 Master Resolution, the Trustee shall keep accurate records of the source of the monies used to pay, redeem or purchase such Bonds and to reimburse Credit Facility Providers and Reserve Fund Credit Facility Providers.

Section 609 - Obtaining Credit Facilities. Except as otherwise provided in a Series Resolution authorizing the issuance of a Series of Bonds, the Authority may obtain one or more Credit Facilities with respect to Bonds of such Series either at the time of issuance of such Bonds or any time thereafter and may direct the Trustee to create separate subaccounts to provide for payments by or to Credit Facility Providers.

ARTICLE VII SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701 - Security for Deposits. All monies held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Authority, the Owners of the Bonds and any Credit Facility Providers and Reserve Fund Credit Facility Providers in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee and any Paying Agent shall not be required to give security for the deposit of any monies with them held in trust for the payment of the principal or Accreted Value of, premium, if any, and interest on any Bonds, or for the Trustee to give security for any monies represented by obligations purchased as an investment of such monies.

Section 702 - Investment of Funds and Accounts Held by the Trustee. (A) Upon the deposit of any amounts in any fund or account held by the Trustee under the provisions of this 2016 Master Resolution, in the manner hereinabove prescribed, the Authority may furnish the Trustee with a schedule of dates on which it is estimated by the Authority that such monies in said fund or account will be required to be expended. The Authority may from time to time amend the schedule so furnished. The Authority or, upon the completion of any forms requested by the Trustee in connection therewith, its designated investment manager, may direct the Trustee to invest and reinvest in Investment Securities the monies in said fund or account so that the maturity date or date fixed for redemption at the option of the Owner of such obligations shall coincide as nearly as practicable with the times at which monies are needed by the Authority to be so expended. Investment Securities credited to the Reserve Fund shall mature or be subject to redemption at the option of the holder, not later than five years after the date of deposit of such Investment Security to the Reserve Fund. The Authority or its designated investment manager also may direct the Trustee that all or part of the amounts in the Interest Account and the Principal Account in the Debt Service Fund not be invested for specified periods of time.

(B) Obligations purchased as an investment of monies in any fund or account held by the Trustee under the provisions of this 2016 Master Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account, except that the income or interest earned and profits

realized by the Reserve Fund due to the investment thereof shall be transferred by the Trustee as directed by the Authority.

(C) On or before the date Bonds are sold or issued, on each June 30, on or prior to the day of a transfer of Reserve Fund money or securities to the Authority pursuant to Section 607 or 603(C) and on the Business Day following any transfer to the Debt Service Fund, the Trustee shall determine the accreted value of Investment Securities then credited to the Reserve Fund and whether the amount in the Reserve Fund is equal to the Reserve Fund Requirement. In determining whether the amount in the Reserve Fund is at least equal to the Reserve Fund Requirement, the Trustee shall include the amount of interest earned or accrued thereon as of the date of valuation and also shall include the face amount then available to be drawn under any Reserve Fund Credit Facility then credited to the Reserve Fund.

(D) Except as otherwise provided in this 2016 Master Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this 2016 Master Resolution whenever it shall be requested in writing by an Authorized Officer or investment manager of the Authority to do so or whenever it shall be necessary to provide monies to meet any payment from the fund or account for which such investment was made. The Trustee shall advise the Authority in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

Section 703 - Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment directed as provided in this Article and in the manner provided in this Article, or for any loss resulting from any such investment so made except for its own negligence or default.

The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the Authority or its designated investment manager. In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Authority to provide timely written investment direction. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities and without regard to ratings subcategories. The Trustee may rely on the investment directions of the Authority or its designated investment manager as to both the suitability and legality of the directed investments. The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Authority specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

ARTICLE VIII
THE TRUSTEE AND THE PAYING AGENTS

Section 801 - Appointment and Acceptance of Duties of Trustee. The Bank of New York Mellon Trust Company, N.A. having the powers of a trust company doing business and having a corporate trust office in the United States, is hereby appointed as Trustee for the Owners from time to time of the Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this 2016 Master Resolution by executing the certificate of authentication endorsed upon the Bonds, and, by executing such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the 2016 Master Resolution.

Section 802 - Appointment and Acceptance of Duties of Paying Agents. The Trustee shall serve as Paying Agent, but the Authority may appoint a different or additional Paying Agents from time to time and for Bonds of one or more Series. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by written instrument of acceptance executed and delivered to the Authority and the Trustee. The designated corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the Authority for the payment of the interest on and principal or Accreted Value of and premium, if any, of the Bonds.

Section 803 - Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority, and the Fiduciaries assume no responsibility for the correctness of the same. No Fiduciary shall be deemed to make any representations as to the validity or sufficiency of this 2016 Master Resolution or of any Bonds issued hereunder or in respect of the security afforded by this 2016 Master Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representations contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless indemnified to its satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others or the use or application by the Authority of the Bonds or the proceeds thereof.

(B) Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this 2016 Master Resolution, and no implied covenants or obligations shall be read into this 2016 Master Resolution against the Trustee, and, in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinion expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this 2016 Master Resolution.

(C) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this 2016 Master Resolution and use the same

degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(D) No provision of this 2016 Master Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that (1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; (2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount or Accreted Value of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, in accordance with this 2016 Master Resolution; and (3) no provision of this 2016 Master Resolution shall require the Trustee to expend or risk its own funds or otherwise to incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Except as otherwise expressly provided herein, the Trustee shall determine whether any conditions or requirements set forth herein for any purpose have been met, and such determination by the Trustee shall be conclusive.

(E) Regardless of whether it is therein expressly so provided, every provision of this 2016 Master Resolution, any Series Resolution, or any related document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

(F) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this 2016 Master Resolution at the request or direction of any of the Owners pursuant to this 2016 Master Resolution, unless such Owners shall have offered to the Trustee security or indemnity to its satisfaction against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(G) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document.

(H) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(I) The permissive right of the Trustee to do things enumerated in this 2016 Master Resolution shall not be construed as a duty.

(J) In accepting the trusts hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners and the Authority having any claim against the Trustee arising from this 2016 Master Resolution shall look only to the funds and accounts held by the Trustee or its agent hereunder

for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(K) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(L) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this 2016 Master Resolution and delivered using Electronic Means (“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Designated Officers”) and containing specimen signatures of such Designated Officers, which incumbency certificate shall be amended by the Authority, whenever a person is to be added or deleted from the listing. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Designated Officer listed on the incumbency certificate provided to the Trustee have been sent by such Designated Officer. The Authority shall be responsible for ensuring that only Designated Officers transmit such Instructions to the Trustee and that the Authority and all Designated Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(M) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this 2016 Master Resolution.

(N) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until the Trustee shall have

actual knowledge of such event or the Trustee shall have been notified in writing of such event by the Authority or an Owner.

(O) In acting or omitting to act pursuant to any other agreement entered into in connection with this 2016 Master Bond Resolution (including, without limitation, any security documents of which the Trustee may be a beneficiary in connection with any Loan Agreement), the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this 2016 Master Bond Resolution including, but not limited to, this Article VIII.

Section 804 - Evidence on Which the Trustee May Act. The Trustee may rely and shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be of counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in reliance thereon. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, including payment of moneys out of any Fund or Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this 2016 Master Resolution upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Trustee shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 805 - Compensation. The Authority shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this 2016 Master Resolution, and also all reasonable expenses, charges, counsel fees and expenses and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this 2016 Master Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds (other than funds drawn under Credit Facilities and Liquidity Facilities and funds set aside in escrow) at any time held by it under this 2016 Master Resolution. The Authority further agrees to indemnify and save the Trustee and each Paying Agent and their respective officers, directors, agents and employees harmless against any liabilities they may incur in the exercise and performance of its powers and duties hereunder and that are not due to such Trustee's or Paying Agent's negligence or willful misconduct. This Section 805 shall survive the termination of this 2016 Master Resolution and the earlier removal or resignation of the Trustee. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 806 - Permitted Acts and Functions. The Trustee and any Paying Agent may become the owner of any Bonds, with the same rights it would have if it were not such Trustee or

Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this 2016 Master Resolution, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 807 - Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this 2016 Master Resolution by giving not less than ninety (90) days' written notice to the Authority and to the registered owners of Bonds, specifying the date when such resignation shall take effect and such resignation shall take effect immediately upon the appointment of a successor Trustee pursuant to Section 809 hereof.

Section 808 - Removal of Trustee. The Trustee shall be removed by the Authority if at any time so requested by an instrument or concurrent instruments in writing, filed with 30 days prior written notice with the Trustee and the Authority, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during the existence of an Event of Default, by filing with the Trustee an instrument signed by an Authorized Officer of the Authority at least 30 days prior to the effective date of such removal.

Section 809 - Appointment of Successor Trustee. The Authority agrees that if the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Authority will appoint a successor Trustee. The Authority shall provide written notice of such appointment to the Owners of the Bonds.

If no appointment of a successor Trustee shall be made within forty-five (45) days after the Trustee shall have given to the Authority written notice of its resignation or after a vacancy in the office of the Trustee shall have occurred by reason of the removal of the Trustee or the Trustee's inability to act, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 809 in succession to the Trustee shall be a trust company or bank in good standing having the powers of a trust company within or outside the State, and having a capital and surplus aggregating at least One Hundred Million Dollars (\$100,000,000) if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this 2016 Master Resolution.

Section 810 - Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this 2016 Master Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become

fully vested with all monies, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this 2016 Master Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 811 - Merger or Consolidation. Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or any Paying Agent without the execution or filing of any paper or the performance of any further act, provided that such company shall be a trust company or bank which is qualified to be a successor to the Trustee or the Paying Agent under Section 809 or Section 812 respectively.

Section 812 - Resignation or Removal of the Paying Agents and Appointment of Successors. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this 2016 Master Resolution by giving at least sixty (60) days' written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and shall be a trust company or bank having the powers of a trust company having a capital and surplus aggregating at least One Hundred Million Dollars (\$100,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this 2016 Master Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE IX ADDITIONAL COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Owners of the Bonds as follows:

Section 901 - Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid when due the principal or Accreted Value of and premium, if any, of every Outstanding Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

Section 902 - Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under this 2016 Master Resolution to the benefit of this 2016 Master Resolution or to any payment out of any assets of the Authority or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this 2016 Master Resolution) prior to benefits accorded to or the payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 903 - Offices for Servicing Bonds. The Authority shall at all times maintain an office or agency where Bonds may be presented for transfer or exchange, and where notices, presentations and demands upon the Authority in respect of the Bonds or of this 2016 Master Resolution may be served. The Authority hereby appoints the Trustee as its agent to maintain such office or agency for the transfer or exchange of Bonds and for the service of such notices, presentations and demands upon the Authority and may appoint one or more co-registrars for such purposes. The Authority hereby appoints the Trustee as Paying Agent and hereby appoints the Paying Agent as its agent to maintain such offices or agencies for the payment of Bonds.

Section 904 - Further Assurances. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary for the better assuring, conveying, granting, assigning, confirming all and singular the rights, Borrower Payments, the Borrower Bonds and other monies, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

Section 905 - Power to Issue Bonds and to Make Pledges and Assignments. The Authority is duly authorized pursuant to law to authorize and issue the Bonds for the purposes herein authorized, to adopt this 2016 Master Resolution and to pledge and assign the Borrower Payments, the Borrower Bonds and other monies, securities, funds and property purported to be pledged and assigned pursuant to this 2016 Master Resolution in the manner and to the extent provided in this 2016 Master Resolution. Except as provided in or permitted by Section 601, the Borrower Payments, the Borrower Bonds, and other monies, securities, funds and property so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by this 2016 Master Resolution, except for the lien in favor of the Trustee provided in Section 805 hereof, and all corporate or other action on the part of the Authority to that end has been duly and will be

duly and validly taken. The Bonds and the provisions of this 2016 Master Resolution are and will be the valid and binding obligations of the Authority in accordance with their terms. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment of the Borrower Payments, the Borrower Bonds and other monies, securities, funds and property pledged and assigned under this 2016 Master Resolution and all of the rights of the Owners under this 2016 Master Resolution against all claims and demands of all persons whomsoever.

Section 906 - General Covenants of the Authority. (A) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under State law and this 2016 Master Resolution in accordance with the terms hereof.

(B) Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law and this 2016 Master Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall be within every applicable debt and other limit prescribed by the laws of the State.

(C) The Authority does hereby covenant and agree with the Owners of the Bonds that it will not cause the State to limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with Owners, or in any way impair the rights and remedies of such Owners until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Owners, are fully met and discharged.

(D) Upon failure of a Borrower to make any principal or interest payment on the date specified in, and as required by, the applicable Loan Agreement securing payment of the Borrower Bonds, the Trustee shall immediately notify the Executive Director who then shall take or direct the Trustee to take the following actions:

(a) within two days after the Borrower's failure to make the Borrower Payment pursuant to the terms of the applicable Loan Agreement, contact such Borrower and request payment;

(b) in the event payment is not made by the Borrower pursuant to clause (a) above or by or at the direction of the Authority from other funding sources, the Trustee shall make up such deficiencies from the Reserve Fund as provided for in Section 603(F) of this 2016 Master Resolution;

(c) in the event payment is not made by the Borrower or from such other funding sources pursuant to (a) above and the Reserve Fund is drawn upon to make up such deficiency pursuant to (b) above, the Executive Director shall, if then permitted by applicable law, initiate intercept proceedings with the applicable State agencies pursuant to Section 914 of this 2016 Master Resolution or in the case of a Borrower that is not a

public body and if then permitted by law and by the terms of the Borrower's grants, seek to intercept the Borrower's grant funds as provided in Section 914;

(d) in the event amounts collected pursuant to (c) above are insufficient or not available to replenish amounts held in the Reserve Fund to the Reserve Fund Requirement, the Executive Director shall contact the Governor of the State and the State legislature as set forth in Section 909(B) of this 2016 Master Resolution; and

(e) if there remains a deficiency in the Reserve Fund after the Executive Director has exhausted the requirements found in (a) through (d) above, the Executive Director shall request a loan from the Department of Revenue pursuant to AS 44.85.270(i) and provide for such loan to be used to cause the amount in the Reserve Fund to satisfy the Reserve Fund Requirement.

Section 907 - Personnel and Servicing of Programs. (A) The Authority shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by the Authority shall be qualified for their respective positions.

(B) The Authority may pay to the respective State agency or political subdivision of the State from the Operating Account such amounts as are necessary to reimburse the respective State agency or political subdivision of the state for the reasonable costs of any services performed for the Authority.

Section 908 - Fees and Charges; Authority Reserve Fund Interest Expense. (A) The Authority shall establish, make, maintain and charge such Fees and Charges to each Borrower to which a Loan is made, and shall from time to time revise such Fees and Charges whenever necessary, so that such Fees and Charges actually collected from each such Borrower will at all times produce monies that, together with such Borrower's Allocable Proportion of other monies available under the provisions of this 2016 Master Resolution, and other monies available therefor, including any grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Custodian Account pursuant to paragraph (C) of Section 603, will be at least sufficient:

(i) To pay, as the same become due, the Borrower's Allocable Proportion of the Administrative Expenses of the Authority; and

(ii) To pay, as the same become due, the Borrower's Allocable Proportion of Fees and Charges, including the fees and expenses of the Trustee and Paying Agents.

The Authority shall provide the Trustee with a schedule of the Fees and Charges to be paid by each Borrower, and of each revision thereof, and shall require each Borrower to make payment of the Fees and Charges required to be paid by it directly to the Trustee for payment or deposit as set forth in the schedule. The Trustee shall promptly advise the Authority of each and

every failure of a Borrower to make payment of Fees and Charges when due in accordance with the applicable schedule.

(B) The Authority shall determine the amount of each Borrower's Allocable Proportion of the applicable Authority Reserve Fund Interest Expense so that the amounts actually collected from each such Borrower for such purpose will at all times produce monies that, together with such Borrower's Allocable Proportion of other monies available under the provisions of this 2016 Master Resolution, and other monies available therefor, including any grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and any other amounts transferred to the Reserve Fund, will be at least sufficient when due to pay the Authority Reserve Fund Interest Expense.

The Authority shall provide the Trustee with a schedule of the Authority Reserve Fund Interest Expense, and of each revision thereof, and shall require each Borrower to make payment of its Allocable Proportion of Authority Reserve Fund Interest Expense required to be paid by it directly to the Trustee for payment or deposit as set forth in the schedule. The Trustee shall promptly advise the Authority of each and every failure of a Borrower to make such payment when due in accordance with the applicable schedule.

Section 909 - Administration of Reserve Fund. (A) The Reserve Fund shall be established and maintained in accordance with the provisions of this 2016 Master Resolution. All monies and securities held in the Reserve Fund shall be used, disbursed and applied only in accordance with the provisions of this 2016 Master Resolution and for no other purpose. Monies and securities held in the Reserve Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Required Debt Service Reserve except as otherwise provided in this 2016 Master Resolution.

(B) The Authority shall cause the Chairman of the Board of Directors of the Authority annually, before each January 30, to make and deliver to the Governor of the State and to the Legislature the Chairman's certificate stating the amount, if any, required to restore the Alaska Municipal Bond Bank Reserve Fund to the amount of the Required Debt Service Reserve and a copy of such certificate shall promptly be delivered to the Executive Director. Monies received by the Authority from the State pursuant to such a certification, in accordance with the provisions of Section 44.85.270(g) of the Act shall, to the extent such certification was occasioned by the fact that the amount in the Reserve Fund was less than the Required Debt Service Reserve, be deposited in the Reserve Fund, as required by paragraph (D) of Section 603.

(C) The Authority annually shall submit to the State a budget request for an appropriation to cause, if necessary, amounts held in the Reserve Fund to equal the Reserve Fund Requirement including the amount, if any, required to reimburse the Reserve Fund Credit Facility Provider(s) for amounts drawn under Reserve Fund Credit Facilities.

Section 910 - Loan Agreement Provisions. No Loan shall be made by the Authority from the proceeds of the sale of Bonds, and no Bonds shall be issued by the Authority for the purpose of providing funds with which to make a Loan, unless the Loan Agreement under which such Loan is to be made complies with, and no Bonds shall be issued by the Authority to fund notes or to issue Refunding Bonds unless the Loan Agreement under which the Loan was made from the

proceeds of such notes or Bonds, also complies with, the following terms, conditions, provisions and limitations:

(a) The Borrower that is a party to such Loan Agreement must be a Borrower as defined by this 2016 Master Resolution, and each of the Borrower and the Authority must be authorized to enter into the Loan Agreement under applicable State law;

(b) The Borrower, prior to or simultaneously with the issuance of the related Bonds, shall execute and deliver a Loan Agreement and shall issue and deliver a Borrower Bond or Bonds, together with (1) such additional security or assignments as may be required by the Authority and (2) an opinion of such Borrower's counsel to the effect that each of the Loan Agreement and such Borrower Bond or Bonds (and the grant, pledge or assignment of such additional security, if any) has been duly authorized and executed by the Borrower and that each is a valid and binding obligation of the Borrower as required by the Act;

(c) The Borrower Interest Payments to be made by the Borrower under such Loan Agreement are not less than the interest payments the Authority is required to make on the Loan Obligation, and Loan Obligation payments are scheduled to be paid by the Authority in such manner and at such times (notwithstanding the dates of payment as stated in the Borrower Bonds) as to provide funds sufficient to pay interest on the Loan Obligation as the same becomes due;

(d) The Borrower Principal Payments to be made by the Borrower under such Loan Agreement shall be scheduled by the Authority to be paid in such manner and at such times (notwithstanding the dates of payment as stated in the Borrower Bonds) as to provide funds sufficient to pay the principal or Accreted Value of the Loan Obligation as the same matures or is required to be prepaid or redeemed;

(e) The Borrower shall be obligated to pay Fees and Charges to the Authority at the times and in the amounts that will enable the Authority to comply with the provisions of Section 908;

(f) If the Borrower is a "public body" as defined in the Act, the Borrower shall agree that in the event the amounts referred to in paragraphs (c) and (d) are not paid by it to the Authority on or before the times specified in the Loan Agreement, any money payable to the Borrower by any department or agency of the State shall be withheld from such Borrower and paid over directly to the Trustee and that such agreement shall be full warrant, authority and direction to any official of the State responsible for such payment to make such payment upon notice to such official by the Authority as provided in the Act;

(g) If the Borrower is not a Public Body, the Borrower shall agree that if the Borrower receives grants, the Authority, if then permitted by law and by the terms of such grants, may seek to intercept such grant funds as provided in Section 914.

(h) The Authority shall not sell and the Borrower shall not redeem prior to maturity any of the related Borrower Bonds in an amount greater than the redeemable portion of the Outstanding Bonds issued to make such Loan and in the event of any such sale or redemption of such Borrower Bonds, the principal amount or Accreted Value of Borrower Bonds sold or

redeemed shall be not less than the aggregate of (i) the principal amount or Accreted Value of the Loan Obligation to be redeemed, (ii) the interest to accrue on the Loan Obligation to be sold or redeemed to the date fixed for redemption or sale, (iii) the applicable premium, if any, payable on the Loan Obligation to be redeemed, and (iv) the Authority's costs and expenses in effecting the redemption of the Loan Obligation to be redeemed; provided, however, that in the event the Loan Obligation has been or is being refunded and the Refunding Bonds therefor were or are being issued in a principal amount in excess of or less than the Loan Obligation remaining unpaid at the date of issuance of such Refunding Bonds, the amount the Borrower shall be obligated to pay or the Authority shall receive under item (i) above shall be the principal amount of such Refunding Bonds Outstanding. In the event the Loan Obligation has been or is being refunded and the interest the Authority is required to pay on the Refunding Bonds therefor is less than the interest that the Authority was required to pay on the Loan Obligation, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (ii) above shall be the amount of interest to accrue on such Refunding Bonds Outstanding.

(i) Unless the Authority agrees to a shorter period, the Borrower shall give the Authority at least fifty (50) days' notice of the Borrower's intention to redeem its Borrower Bonds.

Section 911 - Modification of Loan Agreement Terms. The Authority shall not consent to the modification of, or modify, the rate or rates of interest on, or the amount or time of payment of any installment of principal of or interest on any Borrower Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Borrower Bonds evidencing the same, in a manner that adversely affects or diminishes the rights of the Owners; provided, however, that, in the event the Loan Obligation is being or has been refunded and the Refunding Bonds therefor are in a principal amount in excess of or less than the principal amount of the Bonds refunded, the Authority may consent to the modification of and may modify the Loan agreement relating to such Loan and the Borrower Bonds evidencing the same, and the Borrower Payments to be made thereunder, so long as after such modifications, the Borrower Payments are sufficient in amount and are payable at the times required for the payment of the principal or Accreted Value of and premium, if any, and interest on such Refunding Bonds, and further provided, however, that, in the event the Loan Obligation has been refunded and the interest the Authority is required to pay on the Refunding Bonds issued for the purpose of refunding the original Bonds is less than the interest the Authority was required to pay on such original Bonds refunded by the Authority, the Borrower Interest Payments to be made by the Borrower in respect of such Loan may be reduced so that the amounts required to be paid shall be sufficient to pay interest on such Refunding Bonds Outstanding.

Section 912 - Sale of Borrower Bonds by Bank. The Authority shall not sell any Borrower Bonds except as provided in Section 910.

Section 913 - Disposition of the Proceeds of Sale or Redemption of Borrower Bonds. In the event Borrower Bonds or other obligations securing a Loan are sold by the Authority or redeemed by the Borrower in accordance with terms of the applicable Loan Agreement, the Authority shall deposit the proceeds of such sale or redemption, except an amount thereof equal to the costs and expenses of the Authority in effecting the redemption of the Bonds to be redeemed, into the applicable subaccount or subaccounts in the Redemption Account and shall

apply the same to the purchase, retirement or redemption of the appropriate Bonds in accordance with the provisions of this 2016 Master Resolution. The balance in such applicable subaccount or subaccounts of such proceeds of sale or redemption of Borrower Bonds after the redemption of the Bonds to be redeemed shall be deposited in the Custodian Account.

Section 914 - Enforcement of Borrower Bonds. The Authority shall diligently enforce, and shall take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions in all Loan Agreements and in the Borrower Bonds evidencing Loans made by the Authority, including in the case of a Borrower that is a public body as defined in the Act, the prompt collection, and the giving of notice to the Commissioner or other officer of each department or agency of the State that is custodian of any money payable to such Borrower of any failure or default of the Borrower in the payment of its Borrower Payment and shall promptly transfer any such monies, upon receipt thereof, to the Trustee and, in such event, or if such monies are paid directly to the Trustee, the Trustee shall deposit any such monies in the Principal Account and Interest Account in place of said unpaid Borrower Payment or in the event deficiencies in said Accounts created by such default shall have been made up by the Reserve Fund pursuant to paragraph (5) of Section 603, in the Reserve Fund to the extent of such deficiencies. In the case of a Borrower that is not a public body as defined in the Act but receives grants, the Authority may if then permitted by law and by the terms of the grants, notify the appropriate officer of the agency or other public body that provides or administer such grant(s) and seek to intercept funds under such grant.

Section 915 - Continuing Disclosure; Bankruptcy Law. (A) The Authority hereby covenants and agrees that it will comply with and carry out all the provisions of each of its Continuing Disclosure Certificates. Notwithstanding any other provision of this 2016 Master Resolution, failure of the Authority to comply with any Continuing Disclosure Certificate shall not be an Event of Default, and any Owner or beneficial owner may exercise only the remedies provided in such Continuing Disclosure Certificate.

(B) The Authority will require in each Loan Agreement that the Borrower enter into a continuing disclosure agreement but will undertake no responsibility with respect to the Borrower's obligations thereunder.

(C) The Authority hereby covenants and agrees that it will notify the Rating Agencies then rating the Bonds of any change in the Act that would permit or require the Authority to be a debtor under the Bankruptcy Code.

Section 916 - Tax Covenants. The Authority shall not knowingly take or cause any action to be taken that would cause interest on any Bonds issued as tax-exempt Bonds to be included in gross income for federal income tax purposes. The Authority shall at all times do and perform all acts and things necessary or desirable, including, but not limited to, complying with the rebate provisions of Section 148 of the Code, as applicable, and complying with the provisions of any letter of instructions from bond counsel, in order to assure that interest paid on Bonds issued as tax-exempt Bonds shall, for purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from taxation. The Authority shall not permit at any time or times any proceeds of any such Bonds or any amounts held hereunder to be used, directly or indirectly, in a manner which would result in the exclusion of any Bond

issued as a tax-exempt Bond from the treatment afforded by subsection (a) of Section 103 of the Code.

ARTICLE X
MODIFICATIONS AND AMENDMENTS WITHOUT OWNER CONSENTS

Section 1001 - Modification and Amendment without Consent. The Authority may adopt at any time or from time to time without the consent or concurrence of any Owner, one or more Series Resolutions and/or Supplemental Resolutions amendatory or supplemental to this 2016 Master Resolution for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms:

(A) To authorize the issuance of Additional Bonds and to specify the terms thereof or the method of determining the terms thereof, all in accordance with the provisions of Article II;

(B) To make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Facilities, Liquidity Facilities and Reserve Fund Credit Facilities, provided that such modifications or adjustments do not materially adversely affect the security for payment of Outstanding Bonds;

(C) To make modifications or adjustments necessary, appropriate or desirable to provide for the appointment of a remarketing agent, a tender agent and/or a paying agent or escrow agent in connection with Bonds of any Series;

(D) To make modifications or adjustments necessary, appropriate or desirable to provide for the issuance or incurrence, as applicable, of Build America bonds or similar federal program obligations, Capital Appreciation Bonds, Original Issue Discount Bonds or Reserve Fund Obligations;

(E) To make modifications or adjustments necessary, appropriate or desirable to provide for the conversion of Capital Appreciation Bonds or Original Discount Bonds to Current Interest Bonds and for the issuance of Subordinate Obligations;

(F) To cure any ambiguity or defect or inconsistent provision in this 2016 Master Resolution or in one or more Series Resolutions or Supplemental Resolutions or to insert provisions clarifying matters or questions arising under this 2016 Master Resolution or any Series Resolution or Supplemental Resolution as necessary or desirable, provided that such modifications do not materially and adversely affect the security for the payment of Outstanding Bonds;

(G) To add other covenants and agreements of the Authority thereafter to be observed; to pledge or assign additional security for the Bonds of one or more Series (or any portion thereof) or to surrender any right or power herein reserved to or conferred upon the Authority;

(H) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority;

(I) If the Authority agrees or has agreed in a Supplemental Resolution or Series Resolution to maintain the exclusion of interest on Bonds of a Series from gross income for federal income tax purposes, to make such provisions as are necessary or appropriate to ensure such exclusion;

(J) To provide for the issuance of Bonds in book-entry form or bearer form and/or to modify or eliminate the book-entry registration system for Bonds of any Series;

(K) To qualify this 2016 Master Resolution under the Trust Indenture Act of 1939, as amended, or pursuant to any similar federal statute then in effect and/or to permit the Authority or sales of the Bonds to comply with the provisions of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in each case provided that such provisions do not materially adversely affect the security for the payment of the Outstanding Bonds;

(L) To confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this 2016 Master Resolution of the Borrower Bonds and Borrower Payments or of any other monies, securities or funds;

(M) To obtain or maintain a rating for Bonds of any Series or to modify the provisions of this 2016 Master Resolution or any Series Resolution or Supplemental Resolution to obtain from any Rating Agency a rating on any Bonds or portion thereof that is higher than the rating that would be assigned without such modification, provided that such modification does not materially adversely affect the security for payment of the Bonds or would otherwise require consent of Owners pursuant to Article XI;

(N) To update the list of investments included in the list of "Investment Securities;" and

(O) For any other purpose that does not materially and adversely affect the security for payment of Outstanding Bonds.

Section 1002 - Supplemental Resolutions Effective with Consent of Owners. The provisions of this 2016 Master Resolution also may be modified or amended at any time or from time to time by a Supplemental Resolution, with the consent of Owners in accordance with and subject to the provisions of Article XI.

Section 1003 - General Provisions Relating to Supplemental Resolutions and Series Resolutions. (A) Nothing contained in this Article X or in Article XI shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 904 or 905 or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument that elsewhere in this 2016 Master Resolution or any Series Resolution or Supplemental Resolution the Authority is required or permitted to deliver.

(B) A copy of every Supplemental Resolution, and any provision in a Series Resolution if such provision constitutes a Supplemental Resolution, adopted by the Authority when filed with the Trustee shall be accompanied by a Counsel's Opinion to the effect that such Supplemental Resolution or provision has been duly adopted in accordance with this 2016

Master Resolution; provided that as to questions not involving legal matters, such Counsel may rely upon the conclusions of accountants, financial advisors and/or other consultants.

(C) The Trustee is hereby authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and stipulations that may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying upon Counsel's Opinion and/or consultants' conclusions to the effect that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this 2016 Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent may be adopted by the Authority without the written consent of the Trustee or Paying Agent affected thereby.

(D) Prior to the issuance of Bonds of a Series, the Authority may agree with Credit Facility Providers and/or Reserve Fund Credit Facility Providers that the Authority will not implement a modification described in Section 1001(O) without notice to such Providers.

ARTICLE XI AMENDMENTS WITH CONSENTS

Section 1101 - Powers of Amendment with Consent. In addition to the amendments permitted pursuant to Article X, this 2016 Master Resolution and any Series Resolution and Supplemental Resolution may be amended by a Supplemental Resolution, with the written consent of the Owners of at least a majority in aggregate principal amount or Accreted Value of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount or Accreted Value of the Bonds of each Series so affected and then Outstanding; provided, however, that in each case without the specific consent of the Owner of each Outstanding Bond, no such modification or amendment shall (1) permit the creation of any lien prior to or on a parity with the lien created by this 2016 Master Resolution or any Supplemental Resolution (except as otherwise permitted by this 2016 Master Resolution), or deprive the Owners of Outstanding Bonds of the lien created by this 2016 Master Resolution or permit the creation of a charge or lien on moneys and other assets pledged to the payment of the Outstanding Bonds superior to the pledge, charge and lien granted for the payment of the Outstanding Bonds; or (2) reduce the percentage of the principal amount or Accreted Value of Bonds the Owners of which are required to consent to any Supplemental Resolution; or (3) give to any Bonds any preference over any other Bond. In addition, without the specific consent of each Owner so affected, no such modification shall (i) change the date of payment of the principal or Accreted Value of any Outstanding Bond (except as permitted in connection with conversions and mandatory tenders); (ii) reduce the principal amount or Accreted Value of any Outstanding Bond; (iii) change the interest rate on Outstanding Bonds (other than as provided for Variable Rate Bonds or convertible Capital Appreciation Bonds); or (iv) extend the time of payment of interest on Outstanding Bonds; (v) reduce any premium payable upon the redemption or prepayment thereof; or (vi) advance the date upon which any Outstanding Bond may first be redeemed.

Section 1102 – Consents and Deemed Consents of Owners and Certain Credit Facility Providers and/or Underwriters. (A) For the purpose consenting to amendments pursuant to this Article XI, except for amendments that alter the interest rate on any Outstanding Bonds, the maturity date, interest payment dates or provisions for redemption of any Outstanding Bonds and provided that such Credit Facility Provider has not failed to make a payment properly demanded under its Credit Facility and is not insolvent, a Credit Facility Provider shall be deemed to be the sole Owner of the Outstanding Bonds secured by such Credit Facility. In addition, any underwriter or purchaser of Bonds of a Series may, as the deemed Owner of the Bonds of such Series, at the time such Bonds are issued consent to an amendment of this 2016 Master Resolution.

(B) The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1101, to take effect when and as provided in this Article. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto), together with a request to Owners (or deemed Owners) for their consent, shall be sent by, or on behalf of, the Authority to the Owners. Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Owners of the required percentage of Outstanding Bonds specified in Section 1101 and (b) a Counsel's Opinion to the effect that such Supplemental Resolution (or a Series Resolution if a portion also constitutes a Supplemental Resolution) has been duly adopted in accordance with this 2016 Master Resolution; provided that as to questions not involving legal matters, such Counsel may reply upon the conclusions of accountants, financial advisors and/or other consultants.

(C) At any time after the Owners of the required principal amount or Accreted Value of Bonds shall have filed their consents to the Supplemental Resolution (or such Series Resolution), the Trustee shall make and file with the Authority and the Trustee a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed.

Section 1103 - Modifications by Unanimous Consent. The terms and provisions of this 2016 Master Resolution and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Owners of all of the Bonds then Outstanding, such consent to be given as provided in Section 1102, except that no notice to Owners either by mailing or publication shall be required provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee or Paying Agents without the filing with the Trustee of its written assent thereto in addition to the consent of Owners.

Section 1104 - Mailing and Publication. Any provision in this Article for the mailing by the Trustee of a notice or other document to Owners shall be fully complied with if it is mailed postage prepaid only (i) to each Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books kept by the Trustee as registrar and (ii) to each Owner of any Bond payable to bearer who shall have filed with the Trustee an address for notices.

Section 1105 - Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purposes of consent or other action or any calculation of Outstanding Bonds provided for in this 2016 Master Resolution, and the Authority shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this 2016 Master Resolution; except that in determining whether the Trustee shall be protected in relying upon any such consent of an Owner, only Bonds that the Trustee actually knows to be owned or held by or for the account of the Authority shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. At the time of any consent or other action taken under this 2016 Master Resolution, the Authority shall furnish the Trustee a certificate of an authorized Officer, upon which the Trustee may rely, describing all Bonds to be so excluded.

Section 1106 - Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X or XI provided may, and if the Authority so determines, shall, bear notation by endorsement or otherwise in form approved by the Authority as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the corporate trust office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Authority to conform to such action shall be prepared and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for Bonds of the same Series and maturity and interest rate then Outstanding, upon surrender of such Bonds.

ARTICLE XII DEFAULTS AND REMEDIES

Section 1201 - Trustee to Exercise Powers of Statutory Trustee. The Trustee shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Owners pursuant to Section 44.85.310 and 320 of the Act and the right of Owners to appoint a trustee pursuant to Section 44.85.310 and 320 of the Act is hereby abrogated pursuant to Section 44.85.220(18) of the Act.

Section 1202 - Events of Default. Each of the following events is hereby declared an “Event of Default,” that is to say, if:

(a) the Authority shall default in the payment of the principal or Accreted Value of or the premium, if any, of or the interest on, any Outstanding Bond when and as the same shall become due whether at maturity or on the date fixed for mandatory redemption or otherwise; or

(b) the Authority shall fail or refuse to comply with the provisions of Section 44.85.270(g) of the Act; or

(c) the Authority shall fail or refuse to comply with any material provision of the Act (other than as provided in (b) above) relating to or adversely affecting matters under this Master Resolution or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in this 2016 Master Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained (other than, in each case, a failure to

perform any covenant made in or in connection with a continuing disclosure agreement, which failure shall not constitute a default or an Event of Default), and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Owners of not less than twenty-five per centum (25%) in aggregate principal amount or Accreted Value of the Outstanding Bonds;

Provided, however, that an Event of Default shall not be deemed to exist under the provisions of this paragraph (c) upon the failure of the Authority to make and collect Fees and Charges required to be made and collected by the provisions of this 2016 Master Resolution or upon the failure of the Authority to enforce any obligation undertaken by a Borrower pursuant to a Loan Agreement including the making of the stipulated Borrower Payment so long as the Authority may otherwise be directed by law and so long as the Authority shall be provided with monies from the State or otherwise sufficient in amount to pay the principal of or Accreted Value and interest on all Outstanding Bonds as the same shall become due during the period for which the Authority shall be directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Borrower under the applicable Loan Agreement.

Section 1203 - Remedies. (A) Upon the happening and continuance of any Event of Default specified in (a), (b) or (c) of Section 1202, the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five per centum (25%) in principal amount or Accreted Value of the Outstanding Bonds and being indemnified in accordance with this 2016 Master Resolution shall proceed, in its own name, to protect and enforce its rights and the rights of the Owners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(2) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to require the Authority to make and collect Fees and Charges and Borrower Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Borrower Payments, and other properties and to require the Authority to carry out any other covenant or agreement with Owners and to perform its duties under the Act;

(3) by bringing suit upon the Bonds;

(4) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Owners of the Bonds;

(5) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds;

(B) Upon the occurrence of an Event of Default under Section 1202(a), unless the principal or Accreted Value of all the Outstanding Bonds shall have already become due and payable, the Trustee, by notice in writing to the Authority, may, and upon the written request of the Owners of not less than a majority in aggregate principal amount or Accreted Value of the Bonds at the time Outstanding, shall, in accordance with the provisions of the Act, declare the principal or Accreted Value of all Outstanding Bonds, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be

immediately due and payable, anything in this 2016 Master Resolution or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal or Accreted Value of the Outstanding Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all principal and Accreted Value of the Outstanding Bonds matured prior to such declaration and all matured installments of interest (if any) upon all of the Outstanding Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults actually known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case (or otherwise at the request of the Owners of at least a majority in aggregate principal amount and Accreted Value of the Bonds then outstanding) the Trustee shall, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(C) In the enforcement of any remedy under this 2016 Master Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority for principal or Accreted Value, interest or otherwise, under any provision of this 2016 Master Resolution or a Series Resolution or of the Outstanding Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Outstanding Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Outstanding Bonds, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce a judgment or decree against the Authority for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Notwithstanding anything contained herein or in any deed of trust, mortgage, or similar document (any of such deed of trust, mortgage, or similar document, a "Mortgage") of which the Trustee may be a beneficiary in connection herewith to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Law, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

The term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto. The term “Hazardous Substances” shall mean any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products. The Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action, and such approval cannot be obtained.

Anything in this 2016 Master Resolution, any Loan Agreement or any security documents entered into in connection herewith or therewith to the contrary notwithstanding, the Trustee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the failure to initiate foreclosure proceedings with respect to any real property or project subject to a Mortgage unless the Trustee is satisfied that the Trustee will not be subject to any liability under any local, state, or federal environmental laws or regulations of any kind whatsoever or from any circumstances present on such real property or at such project relating to the presence, use, management, disposal or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

Section 1204 - Priority of Payments After Default. During the continuance of an Event of Default, in the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal or Accreted Value then due on the Outstanding Bonds, such funds (other than funds held for the payment or redemption of particular Bonds that have theretofore become due at maturity or by call for redemption or are held in the Rebate Fund) and any other monies received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses (including legal fees and expenses) necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this 2016 Master Resolution, shall be applied as follows:

(a) Unless the principal of all of the Outstanding Bonds shall have become or have been declared due and payable,

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with interest on overdue installments of interest and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Accreted Value of any Outstanding Bonds that shall have become due, whether at

maturity or by proceedings for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Accreted Value due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal or Accreted Value of all of the Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, together with interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this Section 1204, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such monies with the Paying Agents, or otherwise setting aside such monies in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority, to any Owner or to any other person for any delay in applying any such monies, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this 2016 Master Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such monies, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the Owner of any unpaid Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid. Interest on overdue installments of interest shall be equal to the rate on the Bond as to which the interest installment is overdue.

The provisions of this Section 1204 are in all respects subject to the provisions of Section 902.

Section 1205 - Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Authority, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 1206 - Owners' Direction of Proceedings; Rights of Credit Facility Providers.
(A) Anything in this 2016 Master Resolution to the contrary notwithstanding, the Owners of the majority in aggregate principal amount or Accreted Value of the Bonds then Outstanding shall

have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this 2016 Master Resolution, and provided that the Trustee shall have the right to decline to following any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

(B) Anything in this 2016 Master Resolution to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, a Credit Facility Provider then providing a Credit Facility for all or a portion of the Outstanding Bonds of a Series shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Outstanding Bonds secured by such Credit Facility, provided however, that the Credit Facility Provider shall have no such rights and its consent shall not be required if such Credit Facility Provider has failed to make a payment properly demanded under its Credit Facility and/or is insolvent.

Section 1207 - Limitation on Rights of Owners; Obligation of the Authority. No Owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this 2016 Master Resolution or any right under law unless such Owner shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than a majority in aggregate principal amount or Accreted Value of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this 2016 Master Resolution or for any other remedy hereunder or under law. It is understood and intended that no one or more Owners of the Outstanding Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this 2016 Master Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this 2016 Master Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section or any other provisions of this Article XII, the obligation of the Authority shall be absolute and unconditional to pay the principal or Accreted Value of and interest on Outstanding Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Section 1208 - Possession of Bonds by Trustee Not Required. All rights of action under this 2016 Master Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or

other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Owners of such Bonds, subject to the provisions of this 2016 Master Resolution.

Section 1209 - Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 1210 - No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this 2016 Master Resolution to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 1211 - Notice of Event of Default. The Trustee shall give to the Owners notice of each Event of Default hereunder actually known to the Trustee within ninety (90) days (five days in the case of an Event of Default specified in clause (a) of Section 1202) after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the principal or Accreted Value of or interest on any of the Outstanding Bonds, or in the making of any payment required to be made into the Debt Service Fund or the Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Owners. Each such notice of an Event of Default shall be given by the Trustee by posting a copy of such notice to the EMMA System and by mailing written notice thereof to all Owners of Outstanding Bonds, as the names and addresses of such Owners appear upon the books for registration and transfer of Bonds as kept by the Trustee and to such other persons as by the Act.

ARTICLE XIII DEFEASANCE

Section 1301 - Discharge of Some or All of the Outstanding Bonds; Discharge of the 2016 Master Resolution. Bonds of any Series or a portion thereof may be paid by the Authority in any of the following ways:

(A) by paying or causing to be paid the principal and Accreted Value of, premium, if any, and interest on such Outstanding Bonds, as and when they become due and payable;

(B) by depositing with the Trustee, an escrow agent or other Fiduciary, in trust, at or before maturity, money or Government Obligations in the necessary amount (as provided in Section 1303) to pay or redeem such Outstanding Bonds; or

(C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Authority shall pay Outstanding Bonds of all Series and also shall pay or cause to be paid all other sums payable and to be payable hereunder and under any Credit Facility Reimbursement Obligations, Reserve Facility Reimbursement Obligations and all other obligations under this 2016 Master Resolution and each Series Resolution, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this 2016 Master Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, this 2016 Master Resolution and the pledge and assignments made under this 2016 Master Resolution and all covenants, agreements and other obligations of the Authority under this 2016 Master Resolution shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Authority all moneys or securities or other property held by it pursuant to this 2016 Master Resolution which, as evidenced by a verification report, upon which the Trustee and the Authority may conclusively rely, from an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Section 1302 - Discharge of Liability on Bonds. Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 1303) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the date fixed for redemption of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, provided that the Owner thereof shall thereafter be entitled to the payment of the principal or Accreted Value of and premium, if any, and interest on the Bonds, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Notwithstanding anything in this Section 1302 to the contrary, if the principal or Accreted Value of or interest on all or a portion of Bonds of a Series have been paid by a Credit Facility Provider pursuant to a Credit Facility, the obligations of the Authority shall not be deemed to be satisfied or considered paid by the Authority by virtue of such payments and shall remain Outstanding, and the right, title and interest of the Authority herein and the obligations of the Authority hereunder shall not be discharged and shall continue to exist and to run to the benefit of such Credit Facility Provider and such Credit Facility Provider shall be subrogated to the rights of the Owners of the applicable Bonds of such Series.

Section 1303 - Deposit of Money or Securities. Whenever in this 2016 Master Resolution it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this 2016 Master Resolution and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Accreted Value of such Bonds and premium, if any, and all unpaid interest thereon to the date fixed for redemption; or

(B) noncallable Government Obligations the principal of and interest on which when due will, in the opinion of an independent certified public accountant, a firm of independent certified public accountants or independent consulting firm delivered to the Trustee (as confirmed by such firm in a verification report upon which verification report the Trustee and the Authority may conclusively rely), provide money sufficient to pay the principal or Accreted Value of and premium, if any, and unpaid interest to maturity, or to the date fixed for redemption, as the case may be, on the Bonds to be paid or redeemed, as such payments become due; provided that, in the case of Bonds that are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; and provided, that in each case, that the Trustee shall have been irrevocably instructed (by the terms of this 2016 Master Resolution or by request of the Authority) to apply such money to the payment of such principal or Accreted Value and premium, if any, and interest on such Bonds.

Section 1304 - Payment of Bonds After Discharge of 2016 Master Resolution. Any moneys held by the Trustee in trust for the payment of the principal or Accreted Value of, premium, if any, or interest on any Bond and remaining unclaimed for one (1) year after such amount has become due and payable (whether at maturity or upon proceedings for redemption as provided in this 2016 Master Resolution), if such moneys were so held at such date, or one (1) year after the date of deposit of such amount for any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Authority free from the trusts created by this 2016 Master Resolution, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of the principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for interest earned on, moneys so held. Any interest

earned thereon shall belong to the Authority and shall be deposited upon receipt by the Trustee into the Custodian Account.

ARTICLE XIV MISCELLANEOUS

Section 1401 - Preservation and Inspection of Documents. All documents received by the Trustee or any Paying Agent under the provisions of this 2016 Master Resolution and any Series Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority.

Section 1402 - Parties of Interest. Nothing in this 2016 Master Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Authority, Trustee, Paying Agents, the Owners of the Bonds, Credit Facility Providers or Reserve Fund Credit Facility Providers remedies or claims under or by reason of this 2016 Master Resolution or any Series Resolution or any covenants, conditions or stipulations thereof; and all covenants, stipulations, promises and agreements in this 2016 Master Resolution and any Series Resolution contained by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, Trustee and Paying Agents, Credit Facility Providers, Reserve Fund Credit Facility Providers and the Owners from time to time of the Bonds.

Section 1403 - No Recourse Under Resolutions or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Authority contained in this 2016 Master Resolution and any Series Resolution or Supplemental Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his or her individual capacity, and no recourse shall be had for the payment of the principal or Accreted Value, premium, if any, or interest on the Bonds or for any claim based thereon or on this 2016 Master Resolution or any Series Resolution against any member, officer or employee of the Authority or any natural person executing the Bond.

Section 1404 - Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations, provided in this 2016 Master Resolution or any Series Resolution or Supplemental Resolution on the part of the Authority, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this 2016 Master Resolution, Series Resolution or Supplemental Resolution.

Section 1405 - Headings. Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this 2016 Master Resolution, nor shall they affect its meaning, construction or effect.

Section 1406 - Conflict. All resolutions or parts of resolutions or other proceedings of the Authority in conflict herewith be and the same are repealed insofar as such conflict exists.

Section 1407 - Governing Law. This 2016 Master Resolution and all Series Resolutions, Supplemental Resolutions and the Bonds shall be construed in accordance with, and governed by, the laws of the State of Alaska.

Section 1408 - Effective Date. This 2016 Master Resolution shall take effect immediately upon its adoption.

APPENDIX A

FORM OF BOND

**ALASKA MUNICIPAL BOND BANK AUTHORITY
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES _____**

INTEREST RATE: _____% MATURITY DATE: _____ 1, 20__ CUSIP NO.: _____

Registered Owner: CEDE & Co.

Principal Amount: _____ and No/100 Dollars

Alaska Municipal Bond Bank Authority (herein called the “Authority”), a public body corporate and politic, constituted as an instrumentality of the State of Alaska, organized and existing under and pursuant to the laws of the State of Alaska, acknowledges itself indebted to, and for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum specified above on the Maturity Date specified above, and to pay to the registered owner hereof interest on such principal sum from the date hereof to the date of maturity of this Bond at the rate per annum specified above, payable on each _____ 1 and _____ 1, commencing _____ 1, _____. For so long as this Bond is held in book-entry form, payment of principal and interest shall be made by wire transfer to the registered owner pursuant to written instructions furnished to The Bank of New York Mellon Trust Company, N.A., as trustee under the 2016 Master Bond Resolution of the Authority, adopted on May 5, 2016 (as amended and supplemented from time to time, the “2016 Master Resolution”), or its successor or assigns as trustee (herein called the “Trustee”). In the event this Bond is no longer held in book-entry form, (i) payment of interest will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the bond register of the Authority kept by the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series _____ Bonds received at least 15 days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal will be payable upon presentation and surrender hereof at the corporate trust office of the Trustee. Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months. Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is a Master Resolution general obligation of the Authority and is one of a duly authorized issue of Bonds of the Authority designated “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to the Alaska Municipal Bond Bank Authority Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the “Act”), and under and pursuant to the 2016 Master Resolution and a series resolution authorizing each such series. As provided in the 2016 Master Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise

vary. The aggregate principal amount of Bonds that may be issued under the 2016 Master Resolution is not limited except as provided in the 2016 Master Resolution, the applicable series resolution, and the Act, and all Bonds issued and to be issued under said 2016 Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, to the extent provided and except as otherwise expressly permitted in the 2016 Master Resolution and the applicable series resolution.

The Series ____ Bonds are Master Resolution general obligation bonds payable solely from the sources provided in and pledged pursuant to the Master Resolution and the series resolution. The full faith and credit of the Authority are pledged to the payment of the Bonds, including this Series ____ Bond, subject to agreements heretofore and hereafter made to the owners of other bonds and notes issued under the resolutions of the Authority (or the Bond Bank) pledging particular revenues or assets not pledged under the Master Resolution but pledged under other resolutions or other instruments of the Authority (or specifically excluded from any pledge). The Authority is obligated to pay the principal of and premium, if any, and interest on the Bonds, including this Bond, only from the funds of the Authority pledged pursuant to the Master Resolution and the applicable series resolution, and the State of Alaska is not obligated to pay the principal or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, premium, if any, or interest on the Bonds, including this Bond. The Authority has no taxing power.

This Bond is one of a series of Bonds (the “Series ____ Bonds”) issued in the aggregate principal amount of \$_____ under the 2016 Master Resolution of the Authority and a series resolution of the Authority, adopted on _____, _____, and entitled “A Series Resolution Authorizing the Issuance of Master Resolution General Obligation Bonds, Series _____, of the Alaska Municipal Bond Bank Authority” (said resolutions being herein collectively called the “Resolutions”).

Copies of the Resolutions are on file at the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Series ____ Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the Series ____ Bonds with respect thereto; and the terms and conditions upon which the Bonds are issued and may be issued thereunder; to all of the provisions of which the registered owner of this Bond, by acceptance of this Bond, consents and agrees. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Authority, with the written consent of the registered owners of at least two-thirds in principal amount of the Bonds then outstanding and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the registered owners of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding.

The Series ____ Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The Series ____ Bonds maturing on or after _____ 1, 20__, are subject to redemption, in whole or in part, on or after _____ 1, 20__, at the option of the Authority at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

[Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series ____ Bonds maturing on _____ 1, 20__ (the "Term Bonds") are subject to mandatory redemption on _____ 1 of the following years and in the following principal amounts at a redemption price equal to 100% of the principal amount of the Series ____ Bonds to be redeemed plus accrued interest, if any, to the date fixed for redemption.]

Term Bonds Due _____ 1, 20__

<u>Year</u>	<u>Sinking Fund Requirement</u>
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Notice of redemption (which in the case of optional redemption shall be a conditional notice) will be mailed to registered owners of Series ____ Bonds called for redemption not less than 20 days or more than 60 days before the date fixed for redemption. Except as provided in the Resolutions, interest on any Series ____ Bonds called for redemption will cease on the date fixed for redemption.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered Series ____ Bond or Bonds in the same aggregate principal amount and of the same maturity, in authorized denominations, shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed.

The Series ____ Bonds are issuable in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Series ____ Bonds maturing in the year of maturity of the Bond for which the denomination of the Bond is to be specified. Subject to such conditions and upon payment of such charges, if any, Series ____ Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Series ____ Bonds of any other authorized denominations, of the same maturity.

The Authority is obligated to pay the principal of and interest on the Series ____ Bonds only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay such principal of or interest on the Series ____ Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal of or the interest on the Series ____ Bonds.

This Bond is fully negotiable for all purposes of the Uniform Commercial Code, and each owner of this Bond by accepting this Bond shall be conclusively considered to have agreed that this Bond is fully negotiable for those purposes.

The obligations of the Authority contained in the Resolutions and in this Series ____ Bond are the obligations of the Authority and not of any member, director, officer or employee of the Authority, and no recourse shall be had for the payment of the principal or redemption price or interest on this bond or for any claim hereon or on the Resolutions against any member, director, officer or employee of the Authority or any natural person executing the Series ____ Bonds.

This Bond shall not be entitled to any benefit under the Resolutions or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series ____ Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Executive Director all as of the ____ day of _____ 20__.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

[S E A L]

MARK E. PFEFFER
Chairman

A T T E S T:

DEVEN J. MITCHELL
Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the Series ____ Bonds of the Alaska Municipal Bond Bank Authority.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

Date of Authentication:

Authorized Officer

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	Tanana Chiefs Conference
Loan Amount:	Approximately \$49,250,000
Project Type:	Health Care Facility Refinancing
Project Description:	<p>The Tanana Chiefs Conference (“TCC”) will use the Bond Bank funds to refinance bonds sold by TCC in 2011 to construct the Chief Andrew Isaac Health Center. The 95,000 square foot Health Center replaced a 22,000 square foot facility that was located in and leased from Fairbanks Memorial Hospital. The Health Center is now located adjacent to the hospital. TCC will contribute approximately \$47.8 million, including prior reserves, to the refunding project. In addition, the TCC will refund prior senior notes issued to refinance mortgages on buildings owned by the TCC. The refinancing of those notes will eliminate all debt with a senior lien claim on the Bond Bank loan.</p>
Term of the loan:	Approximately 10 years
Transaction Security:	A pledge of the first mortgage on the Health Center as well as health care revenues, including Medicare, Medicaid and private insurance, and General Revenues of the TCC.
FY 2015 Health Care Revenues:	\$25.2 million
Estimated Annual Debt Service:	Approximately \$5.75 million
Total Bond Bank Annual Debt Service:	Approximately \$5.75 million
Debt Service Coverage Ratio (by 2015 Pledged Revenues):	8.11x
Most Recent FY State-Shared Revenues (SSR):	N/A
Subject to State Debt Service Reimbursement:	No
Estimated Borrower Savings (Gross):	\$69.7 million
Estimated Borrower Savings (Present Value):	\$44.3 million
No Litigation Letter Received:	yes

Application Evaluation

Tanana Chiefs Conference

Introduction

The Tanana Chiefs Conference (the “TCC”) has submitted an application to the Alaska Municipal Bond Bank (the “Bond Bank”) for a loan totaling not to exceed \$49,259,000. The Bond Bank funds will be used to defease prior debt issued by the TCC. The following is our review of the project and the security provisions of this transaction.

The Project

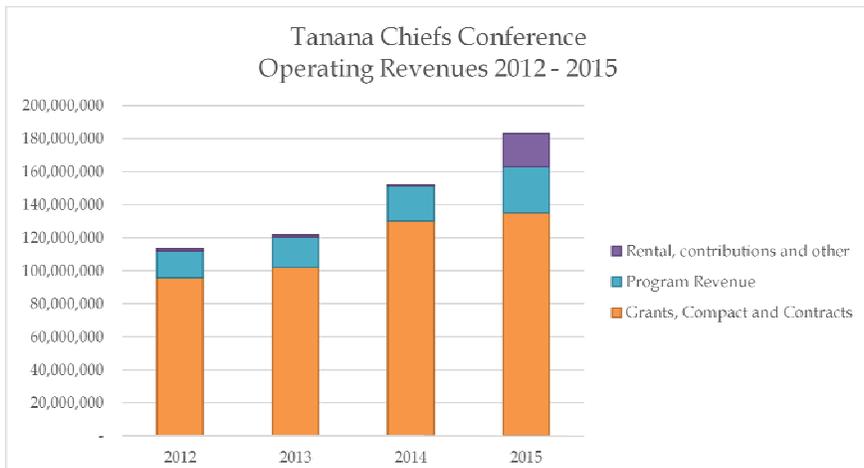
The Tanana Chiefs Conference was officially formed until 1962, but the history of the organization dates back over one hundred years. In 1915, tribal chiefs from throughout the region banded together to protect their native land rights, an issue that continued after Alaska’s statehood in 1959 and is still relevant today. The TCC region covers an area of 235,000 square miles in interior Alaska, an area equal to about 37 percent of the entire state. There are six sub-regions and 42 member tribes within the TCC. One of the TCC’s objectives is to provide services while balancing traditional Athabascan and Alaska Native values with modern demands. The TCC works toward meeting the health and social service needs of Tribal members and beneficiaries throughout our region.



In 2011 the City of Koyukuk issued \$71,715,000 of revenue bonds on behalf of TCC for the construction of the 95,000 square foot Chief Andrew Isaac Health Center. Those bonds carry interest rates ranging from 7.0% to 7.75%. The Bond Bank loan will be used to defease the 2011 bonds to their October 1, 2019 call date. The TCC will also contribute an estimated \$47.8 million toward the defeasance of the 2011 bonds.

TCC Financial Position

In 2015, TCC revenue totaled \$182.9 million, up \$30.7 million or 20.2% from 2014 and 50.3% over 2013. The dramatic increase in revenue over the past two years has been partly a result of federal legislation which included a \$30 million joint venture construction agreement with Indian Health Services (IHS), which TCC will continue to receive annually. The 2014 Federal budget also included an increase of 4.5 % in IHS and 3% in Bureau of Indian Affairs (BIA) with a directive to pay tribes 100% of their Contract Support Costs. Contract Support Costs are the administrative burden that TCC incurs to carry out service agreements with IHS and BIA. The graph to the right presents a breakdown of TCC’s operating revenues over the past four years.



TCC entered into a joint venture construction project agreement with the IHS for the acquisition, including construction, of the Chief Andrew Isaac Health Center. As part of the agreement, IHS provides the initial equipment necessary to operate the Chief Andrew Isaac Health Center, then, for a minimum of 20 years, leases the Center and the land under a no-cost lease, and provides funding for supplies and staffing for the operation and maintenance of the Center. The agreement term is for 20 years, through August 2030.

Recent Financial Results

In recent years TCC has focused on improving its health service billing processes to better capture revenues from third party insurance providers. This has resulted in increased third party revenues of \$6.0 million or 31.3% from fiscal year 2014 to fiscal year 2015. In fiscal year 2016 health service third party revenues are expected to increase by \$1.3 million for a 5.1% increase over fiscal year 2015.

In November 2014 TCC settled contract support claims for years 1999 through 2011 with the IHS. Total funds recovered, including interest, amounted to \$17 million. In addition, TCC has recently concluded a settlement related to a class action with the Bureau of Indian Affairs over contract support costs. In January 2016, under the settlement agreement with the Department of the Interior, TCC was awarded an additional \$11.8 million. This amount is in addition to \$17 million received in fiscal year 2015.

In fiscal year 2015 IHS funding increased by 4% and BIA funding increased by 3%. In fiscal year 2016 IHS funding is expected to increase by 1.2%, but BIA funding is expected to decrease by 2.9%.

The State of Alaska budget shortfall is a concern for those programs funded through the State, but State revenues only account for 5% of the total revenue to TCC, or \$9.9 million. Over the past two years TCC has experienced a decrease of \$2.2 million in State revenues, or 18% and it anticipates another \$2.1 million, or 21%, decrease in fiscal year 2016. Based on the decline in settlement revenues as well as the anticipated decline in State revenues, TCC expects fiscal year 2016 revenues to decrease by about \$5 million, or 3.2%, to \$177 million.

Future Capital Plans

The TCC does not have any plans for projects that will require bonding at this time.

State Aid Intercept

There are no interceptable state-shared revenues available to the Bond Bank related to its loan to the TCC.

Estimated Borrower Savings

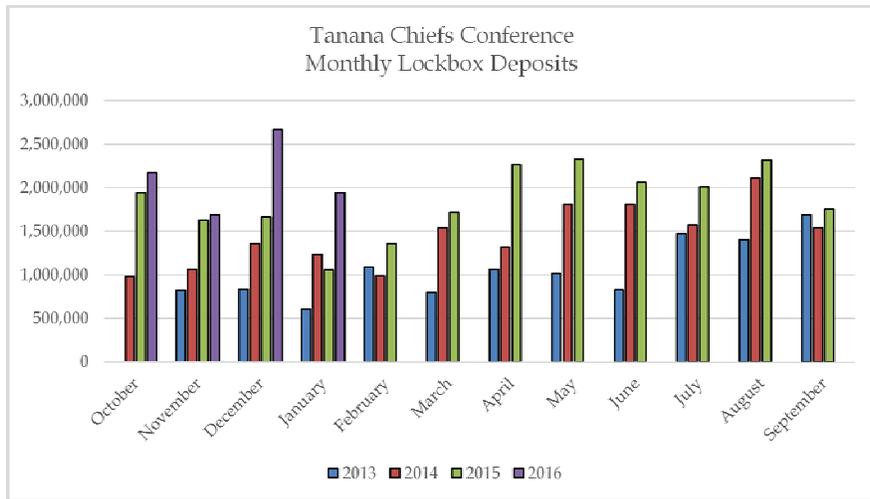
Savings to the TCC as a result of borrowing through the Bond Bank are estimated at approximately \$69.7 million or \$44.3 million on a present value basis. Savings are a result of lower interest rates that the TCC will face as a result of issuing through the Bond Bank as well as the significantly shorter term of the Bond Bank loan relative to the outstanding 2011 bonds.

Security and Repayment

The TCC will pay its Bond Bank loan from (a) Health Care Revenues and (b) General Revenues of Tanana Chiefs Conference, excluding Restricted Funds. Health Care Revenues are defined as payments from Medicare, Medicaid and private insurance companies and managed care plans. General Revenues are defined as all fees, rates, receipts, rentals, licensing fees, royalties, charges, issues, revenues and income derived by the TCC or its facilities or other sources, including gifts, bequests, grants, contributions and any other money received from the TCC's operations or properties, insurance proceeds or condemnation awards. Restricted Funds are funds that have been gifted or granted to the TCC for designated purposes and unavailable for the payment of debt service on the Bond Bank loan.

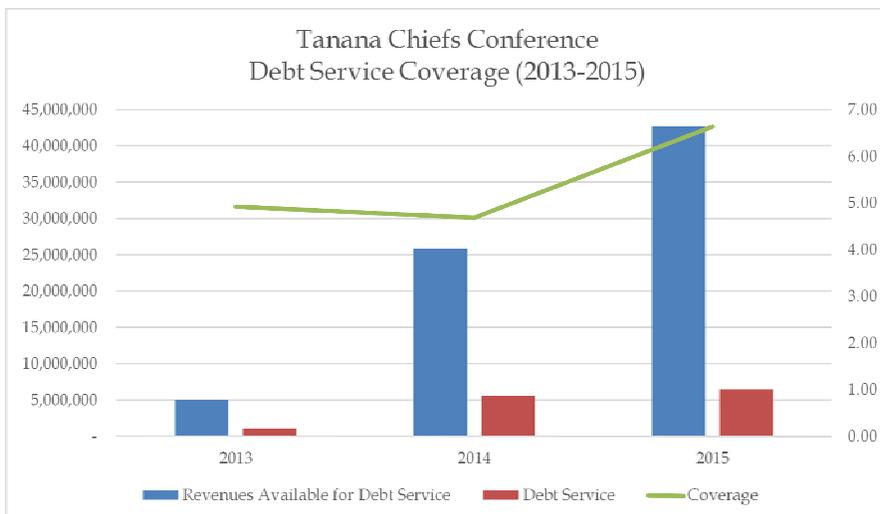
The TCC will covenant to pay debt service on the Bond Bank loan prior to paying any and all costs and expenses, including but not limited to, operating expenses and maintenance costs.

Health Care Revenues are currently being deposited daily into an account at Key-banc, the TCC's trustee bank. The trustee withholds on a monthly basis an amount equal to one-twelfth the next principal payment and one-sixth the next interest payment. Once those amounts have been satisfied, as long as no condition default exists, excess revenues beyond the required debt service amounts are provided to the

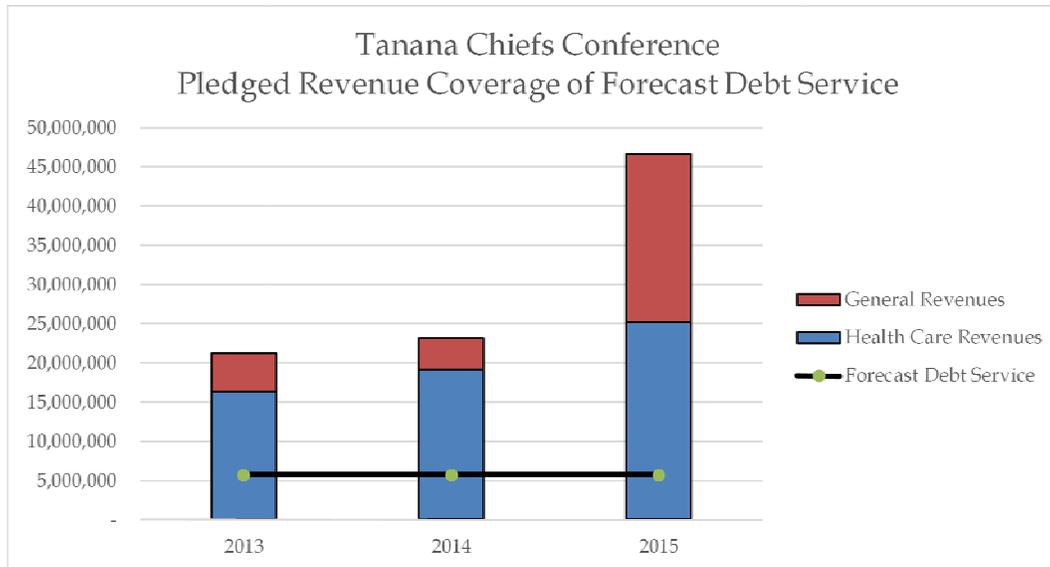


TCC. Under the agreement with the Bond Bank, Keybanc will, on a monthly basis, deliver the necessary cash to make debt service, to the Bond Bank's trustee. The graph above presents the monthly lockbox deposits of Health Care revenues that have taken place since the lock box mechanism was implemented in 2013. Based on current estimates, the monthly collections necessary to service the Bond Bank debt will amount to approximately \$500 thousand. The average lock box deposits over the most recent twelve months amounted to slightly more than \$2 million.

The TCC has been paying debt service, exclusive of capitalized interest, on its 2011 Bonds since fiscal year 2013. The graph to the right presents a comparison of revenues available to pay debt service, as well as the debt service coverage ratio, for the fiscal years 2013 through 2015.



As previously stated, the TCC will pledge its Health Care Revenues and General Revenues to payment of the Bond Bank loan. The graph below presents those two revenue streams against estimated debt service on the Bond Bank loan. The revenue totals presented have been derived from the TCC’s audited financial statements for the fiscal years 2013 through 2015.



Relationship to Fairbanks Memorial Hospital

The Chief Andrew Isaac Health Center is located adjacent to Fairbanks Memorial Hospital. This location allows TCC to take advantage of the hospital’s radiology, laboratory and other facilities. Fairbanks Memorial Hospital has been serving the greater Fairbanks community for more than 40 years. Owned by the people of Fairbanks, Alaska through the Greater Fairbanks Community Hospital Foundation, FMH is operated by Banner Health, a nonprofit health care system. It is important to note that in the deed for the land on which the Health Center is built is the provision that in the event the TCC decides to sell the Health Center FMH has a first right of refusal to purchase the facility. The significance of this to the Bond Bank is that since the Bond Bank will hold a mortgage on the facility, FMH would be the most likely buyer of the Health Center in the event that TCC defaulted on its Bond Bank loan.

Financing Conditions

The following are the terms under which the TCC will borrow from the Bond Bank and may issue additional debt. These conditions will be formalized in the loan documents between the Bond Bank and the TCC.

Debt Service Coverage Ratio: The TCC will be required to maintain a debt service coverage ratio of not less than 1.25 times, tested annually as of the end of each fiscal year. A coverage ratio of less than 1.25 times will result in the requirement that TCC hire an independent consultant to make recommendations regarding improvement of the debt service coverage ratio.

Days Cash on Hand: The TCC will maintain at least 50 days cash on hand and will report this figure to the Bond Bank semi-annually. Cash on hand of less than 50 days will result in the requirement that TCC hire an independent consultant to make recommendations regarding improvement of the liquidity position. It will be an Event of Default in the event the days cash on hand is less than 40 days. As of December 31, 2015 TCC reported 177 days of cash on hand.

Additional Bonds: The TCC may issue additional debt, subject to the consent from the Bond Bank, as long as the TCC demonstrates that the coverage ratio of maximum annual debt service on existing and proposed new debt is at least 1.35 times. No debt will be allowed which has a senior pledge to that of the Bond Bank loan.

Negative Pledge: The TCC will covenant not to pledge or otherwise encumber or transfer or assign the TCC's Health Care Revenues and General Revenues. On a monthly basis, following receipt of one-sixth of the next interest payment and one-twelfth of the next principal payment due to the Alaska Municipal Bond Bank's Trustee, the excess pledged revenues will be transferred to Tanana Chiefs Conference.

Debt Service Reserve Fund: The TCC will provide a cash funded Debt Service Reserve Fund in an amount equal to the lesser of (a) maximum annual debt service, (b) 125% of average annual debt service, and (c) 10% of the par amount of the proposed financing with the Alaska Municipal Bond Bank. The TCC's reserve will be held by the Bond Bank's Trustee.

Statement of No Litigation

The Bond Bank has received a letter from Nicholas Gasca, associate counsel to the TCC, dated March 8, 2016 stating, in part, that "TCC is not involved in any ... lawsuit affecting the existence of the TCC, ... or seeking to restrain, enjoin or challenge the authority or the power of the TCC to enter into the loan transaction, or the right or authority of the TCC to collect revenues, including federal reimbursements, pledged or to be pledged to pay the principal of and interest on the loan, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the loan or the loan agreement between TCC and the Bond Bank."

Summary

Based on our assessment, the pledge of Health Care Revenues and General Revenues of the Tanana Chiefs Conference, combined with the conditions detailed in this credit summary, provides sufficient security to justify approval of the application. This security is augmented by the TCC's cash-funded debt service reserve held by the Bond Bank's trustee, as well as the deposits to the lock box which will be transferred monthly to the Bond Bank's trustee.

For these reasons, we recommend approval of this application. If you or any of the Board members have any questions regarding our analysis, please feel free to call me at (503) 719-6113.

For Western Financial Group, LLC



Chip Pierce

Tanana Chiefs Conference Supplemental Information

The Tanana Chiefs Conference region covers an area of 235,000 square miles, an area equal to about 37 percent of the state of Alaska, and slightly smaller than the state of Texas. The total population of the region is 86,130, of which 10,623 are Natives. About one-half of the entire Native population resides in Fairbanks, which is the only urban area in the region.

The TCC is the traditional tribal consortium of the 42 villages of Interior Alaska and is based on a belief in tribal self-determination and the need for regional native unity. It is a non-profit organization that works toward meeting the needs and challenges for more than 10,000 Alaska Natives (mostly Alaskan Athabaskans) in Interior Alaska.

The TCC is governed by a Board of Directors consisting of 42 representatives selected by the village councils of member communities. The board meets each March in Fairbanks. The nine-member Executive Board is elected by the Board of Directors. The president of the Board of Directors is elected by the full board and serves as the chief executive officer of the corporation. Programs funded by the Bureau of Indian Affairs, the Department of Labor and the Alaska Native Health Services are available to tribal governments and eligible Alaska Native and American Indians. Services financed by the state of Alaska are provided for all residents of the region. In 2006 the TCC had almost seven hundred full-time employees and numerous part-time and seasonal positions. About two-thirds of the staff members work in village positions, and about two-thirds of the employees are Alaska Native.

The TCC was initially formed as a response by tribal leaders to encroachment by non-natives into Alaska's interior. The first land dispute came in 1915 when the chiefs organized to protect a burial ground in Nenana from the Alaska Railroad. Conflicts became an increasing problem and the threat of loss of native land grew after statehood in 1959. Although the Alaska Statehood Act recognized Native land rights, efforts by non-natives to advance claims to Alaska's interior led to the rise of the land claims movement. A meeting of 32 villages at Tanana in June 1962 resulted in the incorporation of the Tanana Chiefs Conference. In October 1966, the TCC met in Anchorage with other Native leaders from around the state and formed the Alaska Federation of Natives.

The Alaska Native Claims Settlement Act of 1971 authorized a settlement of more than 40 million acres and nearly \$1 billion to Alaska Natives through a corporate structure. The Act set up 13 regional for-profit corporations for Alaska Natives and nearly 200 village corporations. The act created the regional corporations for the management of land and financial assets and overseeing the development of natural resources. Village corporations, representing individual Native communities maintain their own natural and financial resources. The Tanana Chiefs Conference became the non-profit corporation for the TCC region. The Indian Self Determination and Education Act of 1975 allowed TCC to become the provider for dozens of regional programs. The TCC contracted with the Bureau of Indian Affairs to manage the delivery of services such as housing, lands management, tribal government assistance, education and employment and natural resources programs to TCC.

Contracts with the Alaska Area Native Health Service were established for Community Health Aide services, outreach services, environmental health, mental health and substance abuse services, and other programs in a gradual sequence. In the late 1970s, TCC successfully bid to receive a number of grants from the state of Alaska for delivery of health care, social services and public safety services to all residents of the interior.

In the mid-1980s TCC successfully assumed management of the Alaska Native Health Center in Fairbanks (renamed the Chief Andrew Isaac Health Center) and the contract health care program.

Appendix:

**Tanana Chiefs Conference
Schedule of Revenues, Expenditures and Changes
in Net Position - Governmental Funds**

2013 - 2015

Tanana Chiefs Conference

Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2013

Operating revenues:	
Grants and compact	\$ 94,741,927
Contract	7,305,829
Program revenue	18,335,346
Other	1,266,745
Total operating revenues	121,649,847
Operating expenses:	
Salaries and fringe benefits	56,682,438
Travel	6,827,733
Direct operating costs	2,607,762
Supplies	4,271,363
Facilities	2,829,868
Equipment	4,668,009
Professional and contractual services	31,699,025
Grants	9,151,039
Depreciation and amortization	3,059,803
Property taxes	36,379
Other	412,317
Total operating expenses	122,245,736
Operating loss	(595,889)
Nonoperating revenues (expenses):	
Investment income	2,354,780
Equity earnings in joint venture	211,112
Interest expense	(4,329,228)
Total nonoperating revenues (expenses)	(1,763,336)
Change in net position	(2,359,225)
Net Position at beginning of year	58,890,499
Effect of adoption of GASB 65 (note 2)	(1,409,088)
Net Position at beginning of year, as restated	57,481,411
Net Position at end of year	\$ 55,122,186

See accompanying notes to financial statements.

Tanana Chiefs Conference

Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2014

Operating Revenues	
Grants and compact	\$ 125,501,802
Contract	4,694,676
Program revenue	21,284,533
Other	670,821
Total Operating Revenues	152,151,832
Operating Expenses	
Salaries and fringe benefits	63,446,899
Travel	7,713,505
Direct operating costs	3,429,863
Supplies	4,273,908
Facilities	5,795,883
Equipment	1,351,533
Professional and contractual services	33,992,968
Grants	7,979,606
Depreciation and amortization	3,649,611
Other	209,550
Total Operating Expenses	131,843,326
Operating income	20,308,506
Nonoperating Revenues (Expenses)	
Investment income	1,696,400
Equity earnings in joint venture	202,331
Interest expense	(5,624,164)
Total Nonoperating Revenues (Expenses)	(3,725,433)
Change in net position	16,583,073
Net Position, beginning of year	55,122,186
Net Position, end of year	\$ 71,705,259

See accompanying notes to financial statements.

TANANA CHIEFS CONFERENCE
Statement of Revenues, Expenses and Changes in Net Position
September 30, 2015

Operating Revenues	
Grants and Compact	\$ 130,890,599
Contract	4,409,232
Program revenue	27,539,273
Other	<u>19,041,958</u>
Total Operating Revenues	<u>181,881,062</u>
 Operating Expenses	
Salaries and fringe benefits	69,396,389
Travel	9,269,900
Direct operating costs	3,623,006
Supplies	3,666,109
Facilities	9,596,433
Equipment	914,486
Professional and contractual services	32,350,708
Grants	10,060,175
Depreciation and amortization	3,746,898
Other	<u>536,340</u>
Total Operating Expenses	<u>143,160,444</u>
 Operating Income	 <u>38,720,618</u>
 Nonoperating Revenues (Expenses)	
Investment income	(10,543)
Equity earnings in joint venture	226,326
Interest expense	<u>(5,543,283)</u>
Total Nonoperating Revenues (Expenses)	<u>(5,327,500)</u>
 Change in net position	 33,393,118
 Net Position, beginning of year	 <u>71,705,259</u>
 Net Position, end of year	 <u>\$ 105,098,377</u>

See accompanying notes to financial statements



Regional Health Organization Application

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase obligations of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information			
A. "regional health organization" as defined in AS 18.28.100(6) means a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles			
B. Name of Regional Health Organization ("RHO") (Applicant):			
Dena' Nena' Henash DBA Tanana Chiefs Conference			
C. Main Contact Person for the RHO:			
Name: Brian Ridley	Title: Executive Financial Officer		
Address: 122 1st Avenue, Suite 600	City: Fairbanks	State: AK Zip: 99701	
Phone: 907-452-8251x3159	Fax: 907-459-3854	E-mail: brian.ridley@tananachiefs.org	
D. RHO Transaction Counsel: Law Office of Kenneth E. Vassar, LLC			
Main Contact Person for the RHO:			
Name: Ken Vassar	Title: Member		
Address: 2220 North Street #24	City: Anchorage	State: AK Zip: 99503	
Phone: 907-223-2925	Fax:	E-mail: kvassar@kevlaw.org	
E. RHO Financial Advisor FirstSouthwest a Division of Hilltop Securities			
Main Contact Person for the RHO:			
Name: Mike Newman	Title: Managing Director		
Address: 1201 Elm Street Suite 3500	City: Dallas	State: TX Zip: 75270	
Phone: 214-953-8875	Fax: 214.953.4050	E-mail: michael.newman@hilltopsecurities.com	
F. RHO Project Feasibility Consultant: Not Applicable - Project Completed December 2012			
Main Contact Person for the RHO:			
Name:			
Address:			
City:			
State: TX			
Phone:			
Fax:			
E-mail:			

II. Issue Information

A. Project cost: \$100,528,334

B. Bond Bank Loan Request: \$ 49,258,884

C. Other funding secured or delivered for the project - Attach evidence/contact information:

Amount \$41,566,948 Source: Tanana Chiefs Conference Cash on Hand (Brian Ridley 907-452-8251)

Amount \$6,261,550 Source: Debt Service Reserve Fund Balance - Outstanding Bonds

Amount Source:

Total Other Funding \$47,828,498

D. Desired loan term in years: Ten Years - October 1, 2026

E. Describe any desired or needed structural features of debt.

Level debt service with an annual debt service constraint of \$6,000,000

F. Attach a copy of the project financial feasibility report. If the project is already in place at least three years of post-project operating results can be substituted for a feasibility report. Attached.

G. Provide any available credit ratings and reports of the RHO. Not Applicable

H. Certify that you have contacted the State Department of Health and Social Services to provide the Bond Bank with a letter declaring whether the Commissioner anticipates that the proposed project will result in a state financial benefit and increase in regional quality of care.

1. If not contact DH&SS at:

The Office of Rate Review

Department of Health and Social Services

3601 C Street (978) | Anchorage, AK 99503

office: 907.334.2447

2. Information required by DH&SS may be incorporated into the feasibility report.

Information must include, but is not limited to:

a. An estimate of total population served and to be served through the proposed project. This should include a breakdown of age groups 0-21, 22-64 and 65 plus because it will help determine the array of services to be added or enhanced over the next several decades.

b. Of total population, the estimated share of AI/AN beneficiaries, AI/AN Medicaid recipients, and non-AI/AN Medicaid recipients. This should include a percentage and dollar value of other third-party liability currently generating a revenue mix along with projected revenue for future years.

c. A detailed explanation from the RHO on whether the project will achieve a state financial benefit. This should include services that are being added, enhanced, etc, and whether there will be an incentive for beneficiaries to stay in region.

d. A detailed explanation from the RHO on whether the project will achieve an increase in regional quality of care. This should include how any freed or new resources realized from refinancing at a reduced interest rate will enhance care through existing and expanded services.

e. An estimate of any costs for travel and accommodations that will be avoided for Medicaid recipients as a result of the proposed project. This should include emergent and non-

f. A detailed explanation from the RHO about its strategy for outreach and enrollment efforts to ensure a wide array of benefit plans are in place for Medicaid and other third-party liability opportunities.

g. A detailed explanation from the RHO about the model of care (i.e. patient centered medical home) and divert/referral patterns it uses and will use to help keep families in region and increase effective, stable care through prevention and intervention.

I. Give a brief summary of your Organization's revenues. Describe any positive or negative trends or factors. Include an explanation of the expectation of change to the RHO's revenues or financial condition in the coming three years. (If this information is available in an annual report, provide a copy with your application.) See Attached

J. Summarize the RHO's means of securing the proposed loan, including a three year historical summary and a three year projection of the revenues that will be pledged to secure the Bond Bank loan. Provide all details of the security as needed in attachments. See Attached

K. Summarize the RHO's current debt outstanding and proposed future debt: See Attached

L. Provide structure detail showing amortization and interest rates of all debt outstanding and proposed. Include any optional call features. See Attached

M. Describe the priority of payment for existing, future and the proposed Bond Bank debt from RHO sources. Provide evidence of legal requirements of existing debt. See Attached

N. Any additional structural points (Additional Bonds Test, Revenue to Debt Service Ratio, Repair and Replacement Reserves, Debt Service Reserves, Payment Requirements) See Attached

O. Does the project need interim financing? No - Projected Completed December 2012

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. (Attach all supporting documentation).

P. Describe project to be financed, including the information requesting in 1-8. If this information is available in a project feasibility study, you may reference and attach it, or provide the expected by date of the feasibility study. Projected completed December 2012

1. Are engineering and specifications completed Yes No
2. If not, when are engineering and specifications projected for completion?
3. Have construction bids been awarded? Yes No
4. If so, list all contractors connected to the project, including subcontractors:

5. Are there additional state or local approvals required? Yes No
6. Describe timing/scheduling plan and where you are in the design process:

7. What is the projected completion date of the project?

8. What is the proposed management plan for the project? List all entities involved.

Q. Has your Organization ever defaulted on an obligation? No

If yes, please attach an explanation. Attached

R. Are there any expected changes in work force or operations? No

If yes, provide an explanations. Attached

S. Provide your audited financial statements from the last three years (provide your unaudited statement if audit hasn't been preformed). Attached

T. Provide your current year's budget. Attached

U. Provide all capital improvement plans. Not Applicable.

V. Provide any other financial or economic information that will assist evaluation of your application.

IV. Legal Information

A. Attach a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court in any way including:

1. affecting the existence of the Applicant, or the titles or officers to the respective offices of the Applicant, or seeking to restrain, enjoin or challenge the authority or power of the Applicant to enter into the loan transaction, or the right or authority of the Applicant to collect revenues, including federal reimbursements, pledged or to be pledged to pay the principal of and interest on the loan, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the loan or the loan agreement between the Applicant and the Bond Bank; or
2. against the Applicant or involving any of the property or assets of or under the control of the Applicant, which, whether individually or in the aggregate involves the possibility of any judgment or uninsured liability which may result in any material change in the revenues, properties, or assets, or in the condition, financial or otherwise, of the Applicant.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Brian Ridley

Name (print)

Executive Financial Officer

Title



Signature

11/20/2015 orig 2/24/2016 revised

Date of Application

Please return all applications to:
 Deven Mitchell
 Alaska Municipal Bond Bank Authority
 Department of Revenue
 PO Box 110405
 Juneau, AK 99811-0405
 (907) 465-3750 phone
 (907) 465-2389 fax
deven.mitchell@alaska.gov

Attachment to RHO Bond Application

- H. Certify that you have contacted the State Department of Health and Social Services to provide the Bond Bank with a letter declaring whether the Commissioner anticipates that the proposed project will result in a state financial benefit and increase in regional quality of care.**

Tanana Chiefs Conference certifies that it has contacted the State Department of Health and Social Services to provide the Alaska Municipal Bond Bank with a letter from the Commissioner of Health and Social Services declaring that the Commissioner anticipates that the proposed project will result in a state financial benefit and increase in regional quality of care. The Commissioner of Health and Social Services will submit their letter directly to the Alaska Municipal Bond Bank.

- I. Give a brief summary of your Organization's revenues. Describe any positive or negative trends or factors. Include an explanation of the expectation of change to the RHO's revenues or financial condition in the coming three years (If this information is available in an annual report, provide a copy with your application.)**

Please refer to the Management Discussion and Analysis included in the attached audited financial statements for the last three fiscal years ending September 30, 2014.

It is expected that financial performance for the next three years will be similar to the financial performance of Tanana Chiefs Conference for its fiscal year ending September 30, 2014. While on-going operations are expected to be comparable in performance to the fiscal year ending September 30, 2014, the one-time receipt of Contract Support Cost Settlements from the Federal Government will positively impact FY2015 and FY2016. Tanana Chiefs Conference will receive a one-time settlement payment of \$16M in FY2015 and anticipates receipt of an \$11M settlement payment in FY 2016.

- J. Summarize the RHO's means of securing the proposed loan, including a three year historical summary and a three year projection of the revenues that will be pledged to secure the Bond Bank loan.**

The obligation of Tanana Chiefs Conference to repay the proposed financing from the Alaska Municipal Bond Bank will be a general corporate obligation

secured by an interest in (a) a first and sole mortgage on the Chief Andrew Isaac Health Center pursuant to a Deed of Trust, (b) Health Care Revenues, (c) General Revenues, excluding Restricted Funds, pursuant to a Security Agreement, and (d) a first and sole mortgage on the buildings financed by the Senior Secured “A” Note issued to Northrim Bank through the Alaska Industrial Development and Export Authority, and the Senior Secured “B” Note issued to Northrim Bank.

Since Chief Andrew Isaac Health Center has been open for three years and no significant additional healthcare services are anticipated in the next three years, it is expected that financial performance for the next three years will be similar to the financial performance of Tanana Chiefs Conference for its fiscal year ending September 30, 2014. While on-going operations are expected to be comparable in performance to the fiscal year ending September 30, 2014, the one-time receipt of Contract Support Cost Settlements from the Federal Government will positively impact FY2015 and FY2016. Tanana Chiefs Conference will receive a one-time settlement payment of \$16M in FY2015 and anticipates receipt of an \$11M settlement payment in FY 2016.

K. Summarize the RHO’s current debt outstanding and proposed future debt.

The RHO’s current debt consists of (a) \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011, (b) Senior Secured “A” Note issued to Northrim Bank through the Alaska Industrial Development and Export Authority, and (c) Senior Secured “B” Note issued to Northrim Bank. Please refer to the attached (a) official statement for \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011, and (b) Note 6 of the audited financial statements of Tanana Chiefs Conference for the year ended September 30, 2014 for additional information on such debt.

The Senior Secured “A” and “B” Notes (collectively the “Notes”) were issued to Northrim Bank to refinance existing mortgages on various buildings owned by Tanana Chiefs Conference, excluding Chief Andrew Isaac Health Center. The Notes are secured by a mortgage on the financed buildings, and payable from, but not secured by, general revenues of Tanana Chiefs Conference.

The proposed future debt consists solely of debt to refinance the outstanding balance, in full, of the (a) \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011

to be issued through the Alaska Municipal Bond Bank, (b) Senior Secured “A” Note issued to Northrim Bank through the Alaska Industrial Development and Export Authority, and (c) Senior Secured “B” Note issued to Northrim Bank.

L. Provide structure detail showing amortization and interest rates of all debt outstanding and proposed. Include any optional call features.

Please refer to the attached (a) official statement for \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011, and (b) Note 6 of the audited financial statements of Tanana Chiefs Conference for the year ended September 30, 2014. Attached are cash flows for the proposed financing that detail proposed amortization and interest rates. The proposed bonds are not anticipated to be subject to optional redemption due to a term of ten years or less. However, Tanana Chiefs Conference would like to explore the cost of a seven or eight year optional redemption provision.

M. Describe the priority of payment for existing, future and the proposed Bond Bank debt from RHO sources. Provide evidence of legal requirements of existing debt.

Payment of the proposed financing by the Alaska Municipal Bond Bank will be from (a) Health Care Revenues and (b) General Revenues of Tanana Chiefs Conference, excluding Restricted Funds.

Additional debt to be issued in accordance with a mutually agreed additional bonds test, and indebtedness secured on a senior basis to the proposed financing with the Alaska Municipal Bond Bank will not be permitted.

Attached for your reference is documentation related to the existing (a) \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011, and (b) Senior Secured “A” and “B” Notes.

N. Any additional structural points (Additional Bonds Test, Revenue to Debt Service Ratio, Repair and Replacement Reserves, Debt Service Reserves, Payment Requirements)

Tanana Chiefs Conference will covenant to pay debt service on the proposed financing by the Alaska Municipal Bond Bank prior to paying any and all

costs and expenses, including but not limited to, operating expenses and maintenance costs.

Tanana Chiefs Conference will covenant to deposit all Health Care Revenues into a Health Care Revenues Receivable Account held by a trustee as received, which shall be subject to a control agreement in favor of the Alaska Municipal Bond Bank. Absent an Event of Default, on a monthly basis, following receipt of one-sixth of the next interest payment and one-twelfth of the next principal payment due to the Alaska Municipal Bond Bank, the Health Care Revenues received for the balance of such month will be provided to Tanana Chiefs Conference.

Debt Service Coverage Ratio: Maintenance of a Debt Service Coverage Ratio of not less than 1.25 to 1.00 tested annually as of the end of each fiscal year. It shall not be an Event of Default if the Debt Service Coverage Ratio is less than 1.25x but equal to or greater than 1.00x provided an independent consultant is retained to make recommendations regarding improvement of the Debt Service Coverage Ratio or such requirement is waived by the Alaska Municipal Bond Bank.

Days Cash on Hand: Maintenance of at least 50 days cash on hand. It shall not be an Event of Default if cash on hand is less than 50 days but equal to or greater than 40 days provided an independent consultant is retained to make recommendations regarding improvement of the liquidity position. It will be an Event of Default in the event the days cash on hand is less than 40 days.

Additional Indebtedness: Subject to (a) a Debt Service Coverage Ratio of not less than 1.35 to 1.00 for the immediately preceding fiscal year, and (b) a Debt Service Coverage Ratio of not less than 1.35 to 1.00 for the immediately preceding fiscal year after taking into account the proposed additional debt, additional debt equal to the greater of (a) \$10,000,000 or (b) 10% of Total Assets may be incurred. Indebtedness secured on a senior basis to the proposed financing with the Alaska Municipal Bond Bank will not be permitted.

Negative Pledge: Tanana Chiefs Conference will covenant not to pledge, lien, grant security interest in or otherwise encumber or transfer or assign the Health Care Revenues or the Health Care Revenues Receivables Account into which all of its Health Care Revenues must be deposited and swept to the trustee as described under “Security and Sources of Payment for The Series 2011 Bonds – Health Care Revenues” in the official statement for

\$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011. Absent an Event of Default, on a monthly basis, following receipt of one-sixth of the next interest payment and one-twelfth of the next principal payment due to the Alaska Municipal Bond Bank, the Health Care Revenues received for the balance of such month will be provided to Tanana Chiefs Conference.

Debt Service Reserve Fund: Tanana Chiefs Conference will provide a cash funded Debt Service Reserve Fund in an amount equal to the lesser of (a) maximum annual debt service, (b) 125% of average annual debt service, and (c) 10% of the par amount of the proposed financing with the Alaska Municipal Bond Bank.

Additional Attachments

- FY 2012 Audited Financial Statement
- FY 2013 Audited Financial Statement
- FY 2014 Audited Financial Statement
- FY 2015 Audited Financial Statements
- Official statement for \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011
- Legal Documentation – Senior Secured “A” and “B” Notes
- Third Party Payments for Healthcare Services FY2013 – FY2015
- Refunding Analysis prepared by FirstSouthwest
- FY 2016 Budget
- Legal Counsel Certificate

**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2016-04**

**A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2016A
OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY**

ADOPTED BY THE BOARD OF DIRECTORS ON MAY 5, 2016

TABLE OF CONTENTS

	Page
Article I AUTHORITY AND DEFINITIONS	1
Section 101 - Series Resolution.....	1
Section 102 - Definitions.....	1
Article II AUTHORIZATION OF SERIES 2016A BONDS	3
Section 201 - Principal Amount, Designation and Series.....	3
Section 202 - Purposes of the Series 2016A Bonds.	3
Section 203 - Date, Maturities and Interest Rates.	4
Section 204 - Interest Payments.	4
Section 205 - Denominations, Numbers and Other Designation.....	4
Section 206 - Securities Depository.	4
Section 207 - Places and Manner of Payment.	4
Section 208 - Optional Redemption.	5
Section 209 - Mandatory Redemption.....	5
Section 210 - Sale of Series 2016A Bonds; Bond Purchase Agreement.	5
Section 211 - Preliminary Official Statement and Official Statement.....	6
Article III DISPOSITION OF BOND PROCEEDS	6
Section 301 - Disposition of Proceeds for Loan Purposes.....	6
Section 302 - Reserve Fund Deposit.	7
Section 303 - Disposition of Remainder of Bond Proceeds.	7
Article IV EXECUTION AND FORM OF SERIES 2016A BONDS.....	8
Section 401 - Execution and Form of Series 2016A Bonds.	8
Article V MISCELLANEOUS	12
Section 501 - Paying Agent.....	12
Section 502 – Arbitrage Rebate.....	12
Section 503 - Series 2016A Debt Service Account.....	12
Section 504 - Tax Exemption and General Tax Covenant.	12
Section 505 - Arbitrage Covenant.	13
Section 506 - Loan Agreement.....	13
Section 507 – Security Documents.....	13
Section 508 - Continuing Disclosure.....	13
Section 509 - Chairman and Executive Director.	13
Section 510 - Effective Date.	14
Appendix A – Blanket Issuer Letter of Representations.....	A-1
Appendix B – Form of Authority Continuing Disclosure Certificate.....	B-1
Appendix C – Forms of the Loan Agreement and Continuing Disclosure Agreement.....	C-1

**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2016-04**

**A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2016A
OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY**

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank Authority (the “Authority”) by Resolution entitled “A Master Resolution Providing For The Issuance Of Bonds Of The Alaska Municipal Bond Bank Authority; Providing For The Issuance Of Additional Bonds; Securing The Payment Of The Principal Of And Premium, If Any, And Interest On All Of Said Bonds; And Providing For The Rights Of The Owners Thereof,” adopted on May 5, 2016 (as further defined in Section 102, the “2016 Master Resolution”), has provided for the issuance from time to time of Bonds of the Authority; and

WHEREAS, the 2016 Master Resolution authorizes the issuance of said Bonds in one or more series pursuant to a Series Resolution authorizing each such series; and

WHEREAS, the Board of Directors of the Authority has determined that it is necessary and desirable that the Authority provide at this time for the issuance of a Series of Bonds, to be designated “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds, Series 2016A” (or otherwise as provided in Section 201), to provide moneys to make Loans to a regional health organization and to carry out purposes of the Authority;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY AS FOLLOWS:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101- Series Resolution.

This Series Resolution (the “Series 2016A Resolution” or this “Series Resolution”) is adopted in accordance with the provisions of the 2016 Master Resolution and pursuant to the authority contained in the Act.

Section 102- Definitions.

In this Series 2016A Resolution and with respect to the Series 2016A Bonds:

(1) Unless otherwise defined in Article I herein, all capitalized terms herein shall have the meanings given to such terms in Section 103 of the 2016 Master Resolution.

(2) “Authority” shall mean the Alaska Municipal Bond Bank Authority.

(3) “Beneficial Owner” shall mean any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or intermediaries).

(4) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement between the Underwriter and the Authority, providing for the purchase and the terms of the Series 2016A Bonds.

(5) “Bond Year” shall mean each one-year period that ends on an anniversary of the date of issue of the Series 2016A Bonds.

(6) “Borrower” in connection with the Series 2016A Bonds, shall mean Dena’ Nena’ Henash DBA Tanana Chiefs Conference.

(7) “Borrower’s Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, substantially in the form of Exhibit C to the Borrower’s Loan Agreement, to be entered into by a Borrower on the date the Series 2016A Bonds are issued.

(8) “Borrower Debt Service Subaccount” shall mean the debt service subaccount created and held by the Trustee for the deposit of Borrower Loan Payments made by the Borrower for payments required by Subsections 4.02(A) and (B) of the Loan Agreement and by the Borrower Bond.

(9) “Chairman” shall mean the Chairman of the Board of Directors of the Alaska Municipal Bond Bank Authority (also known as the “Alaska Municipal Bond Bank”).

(10) “Code” shall mean the Internal Revenue Code of 1986, together with all regulations applicable thereto.

(11) “Continuing Disclosure Certificate” shall mean the Authority’s Continuing Disclosure Certificate, a form of which is included in Appendix B of this Series Resolution, executed by the Authority and dated the date of issuance and delivery of the Series 2016A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(12) “Depository Trust Company” or “DTC” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

(13) “Depository Trust Company Participant” or “DTC Participant” shall mean a trust company, bank, broker, dealer, clearing corporation and any other organization that is a participant of Depository Trust Company.

(14) “Excess Investment Earnings” shall mean the amount of investment earnings on gross proceeds of the Series 2016A Bonds determined by the Authority to be required to be rebated to the United States of America under the Code.

(15) “Financial Advisor” shall mean Western Financial Group, LLC.

(16) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations dated May 2, 1995, from the Authority to DTC, a copy of which is attached hereto as Appendix A, and the operational arrangements referred to therein.

(17) “Loan Agreement” shall mean the loan agreement by and between the Authority and Dena’ Nena’ Henash DBA Tanana Chiefs Conference pertaining to the repayment of a Loan to the Borrower as provided for herein.

(18) “Master Resolution” or “2016 Master Resolution” shall mean the 2016 Master Bond Resolution, Resolution No. 2016-03, adopted by the Board of Directors on May 5, 2016, as amended or supplemented from time to time.

(19) “Official Statement” shall have the meaning assigned thereto in Section 211.

(20) “Preliminary Official Statement” shall have the meaning assigned thereto in Section 211.

(21) “Record Date” shall mean a day fifteen calendar days preceding each interest payment date with respect to the Series 2016A Bonds.

(22) “Series 2016A Bonds” shall mean the Bonds authorized in Article II hereof.

(23) “2016 Master Resolution” or “Master Resolution” shall mean the 2016 Master Bond Resolution, Resolution No. 2016-03, adopted by the Board of Directors on May 5, 2016, as amended or supplemented from time to time.

(24) “Underwriter” shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated, the underwriter of the Series 2016A Bonds.

ARTICLE II AUTHORIZATION OF SERIES 2016A BONDS

Section 201- Principal Amount, Designation and Series.

Pursuant to the provisions of the 2016 Master Resolution, a Series of Bonds designated as “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds, Series 2016A” is hereby authorized to be issued in an aggregate principal amount not to exceed \$50,000,000 (the “Series 2016A Bonds”). The Chairman or the Executive Director is authorized to change the designation of the Series 2016A Bonds, among other things, to allow for the sale of the Series 2016A Bonds to be combined and sold with other Bonds authorized by a Series Resolution and approved by the Board of Directors of the Authority or to distinguish further Bonds issued under the 2016 Master Resolution.

Section 202- Purposes of the Series 2016A Bonds.

The purposes for which the Series 2016A Bonds are being issued are (i) to make a Loan to the Borrower to the extent and in the manner provided in Article III and (ii) to satisfy all or a

portion of the Reserve Fund Requirement as provided in Section 302 of this Series 2016A Resolution.

Section 203- Date, Maturities and Interest Rates.

The Series 2016A Bonds shall be dated the date the Series 2016A Bonds are delivered to the Underwriter, subject to the terms and conditions set forth in this Series 2016A Resolution and in the Bond Purchase Agreement. Subject to adjustment as provided for in this Section 203, the Series 2016A Bonds shall mature, or have mandatory sinking fund redemption payments due, on October 1 in each of the years and in the principal amounts to be set forth in the Official Statement and in the Bond Purchase Agreement authorized below.

Notwithstanding the foregoing, the aggregate principal amount, the principal amount of the Series 2016A Bonds of each maturity, whether any Series 2016A Bonds shall be term bonds or Capital Appreciation Bonds, the amount of each mandatory sinking fund redemption requirement, if any, and the maturity dates and interest rates of the Series 2016A Bonds shall be fixed and determined by the Chairman or by the Executive Director at the time the Bond Purchase Agreement is signed pursuant to Section 210 hereof, but subject to the limitations set forth in Sections 201 and 210.

Section 204- Interest Payments.

The Series 2016A Bonds shall bear interest from their dated date, payable on each April 1 and October 1, commencing October 1, 2016 (or such other date or dates as may be fixed and determined by the Chairman or the Executive Director at the time the Bond Purchase Agreement is signed), computed on the basis of a 360-day year composed of twelve thirty-day months.

Section 205- Denominations, Numbers and Other Designation.

The Series 2016A Bonds shall be issued in registered form in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of the Series 2016A Bonds authorized herein. The Series 2016A Bonds shall be numbered serially with any additional designation that the Chairman or the Executive Director deems appropriate.

Section 206- Securities Depository.

As provided in the 2016 Master Resolution, the Series 2016A Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, and shall be subject to the payment, registration and transfer provisions set forth in Sections 301 and 310 of the 2016 Master Resolution.

Section 207- Places and Manner of Payment.

For so long as all Outstanding Series 2016A Bonds are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations and the operational arrangements referred to therein as amended from time to time. In the event that the Series 2016A Bonds are no longer registered in the name of Cede & Co. or its registered assigns or to a successor securities depository, (i) payment of

interest on the Series 2016A Bonds will be made by check or draft mailed by first class mail to the registered owner, at the address appearing on the Record Date on the bond register of the Authority kept at the corporate trust office of the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2016A Bonds received at least fifteen (15) days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal of the Series 2016A Bonds will be payable at the corporate trust office of the Trustee upon surrender of the Series 2016A Bonds representing such principal. Both principal of and interest on the Series 2016A Bonds are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

Section 208- Optional Redemption.

(a) The Chairman and the Executive Director are, and each of them is, hereby authorized to determine the optional redemption provisions, if any, for the Series 2016A Bonds and such provisions shall be included in the Bond Purchase Agreement and in the form of the Series 2016A Bonds.

(b) Unless otherwise determined by the Chairman or Executive Director by the time the Bond Purchase Agreement is executed, notice of redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption and if a notice of optional redemption, such notice shall be a conditional notice, and such notice shall have the effect and the Series 2016A Bonds to be redeemed shall be selected, as provided in Article IV of the 2016 Master Bond Resolution.

Section 209- Mandatory Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the mandatory sinking fund redemption provisions, if any, for the Series 2016A Bonds that are term bonds, and such provisions shall be included in the Bond Purchase Agreement and in the form of the Series 2016A Bonds.

Section 210- Sale of Series 2016A Bonds; Bond Purchase Agreement.

(a) The Series 2016A Bonds shall be sold to the Underwriter in a negotiated sale pursuant to the terms of a Bond Purchase Agreement. The Chairman and the Executive Director are, and each of them is, hereby authorized (1) to approve the Bond Purchase Agreement and to approve and accept the terms and conditions under which the Series 2016A Bonds are sold to the Underwriter pursuant to the Bond Purchase Agreement, in each case with terms consistent with the provisions of this Series 2016A Resolution; and (2) to determine the dated date and the delivery date of the Series 2016A Bonds, the aggregate principal amount of the Series 2016A Bonds, the principal amount of Series 2016A Bonds of each maturity and interest rate, the purchase price of the Series 2016A Bonds, the maturity and the interest payment dates of the Series 2016A Bonds and the redemption provisions and interest rate(s) of the Series 2016A Bonds; provided, however, that (i) the aggregate principal amount of the Series 2016A Bonds shall not exceed \$50,000,000 and (ii) the true interest cost on the Series 2016A Bonds shall not

exceed 3.75 percent. Prior to execution and delivery of the Bond Purchase Agreement, the Chairman or the Executive Director, with the assistance of the Financial Advisor, shall take into account those factors that, in their judgment, will result in the lowest true interest cost of the Series 2016A Bonds.

(b) The Chairman and the Executive Director each is authorized to negotiate and approve and to execute and deliver the Bond Purchase Agreement, with such terms and provisions that in the Chairman's or Executive Director's view after consulting with the Authority's Financial Advisor and with the Borrower, are in the interest of the Authority and the Borrower and comply with the provisions of the 2016 Master Resolution and this Series Resolution.

(c) Prior to approving and executing and delivering the Bond Purchase Agreement, the Chairman or Executive Director shall have received from each Borrower evidence satisfactory to the Executive Director that, among other things, such Borrower is a regional health organization as defined in the Act and in AS 18.28 and that the conditions set forth in Subsection 44.85.090(5) of the Act have been satisfied.

(d) The authority granted to the Chairman and the Executive Director under this Section 210 shall expire one hundred eighty (180) days after the date of adoption of this Series 2016A Resolution.

Section 211- Preliminary Official Statement and Official Statement.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the final form of, and the distribution in electronic form to prospective purchasers and other interested persons of, the preliminary official statement for the Series 2016A Bonds (including any supplements and amendments prior to execution and delivery of the Bond Purchase Agreement, the "Preliminary Official Statement"), substantially in the form submitted to the Board and part of the records of the meeting, with such changes as the Chairman or the Executive Director deems advisable. The distribution of the Preliminary Official Statement in electronic and/or printed form is hereby authorized, ratified and approved. The Chairman and the Executive Director are hereby further authorized to approve and execute the final form of the final official statement for the Series 2016A Bonds (the "Official Statement") and to approve and authorize the distribution of the Official Statement in electronic and printed form.

There is hereby delegated to the Chairman or the Executive Director the authority to "deem final" the Preliminary Official Statement on behalf of the Authority for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

ARTICLE III DISPOSITION OF BOND PROCEEDS

Section 301- Disposition of Proceeds for Loan Purposes.

Upon the delivery of the Series 2016A Bonds, the Authority shall apply, in accordance with Article V of the 2016 Master Resolution, a portion of the proceeds derived from the sale of the Series 2016A Bonds to the make a Loan to the Dena' Nena' Henash DBA Tanana Chiefs

Conference (“TCC”), in an aggregate principal amount not to exceed \$50,000,000, to prepay, together with funds contributed by TCC, the remaining portion of an outstanding loan made to TCC in 2011 by the City of Koyukuk, Alaska.

Section 302- Reserve Fund Deposit.

(a) On the date of sale, but subject to Section 201 hereof, the Chairman or the Executive Director shall determine whether it is in the best interest of the Authority to use available cash or a portion of the proceeds received from the sale of the Series 2016A Bonds, or a combination of cash and proceeds, to satisfy the Reserve Fund Requirement, and/or to obtain a surety policy in lieu of all or a portion thereof, upon delivery of the Series 2016A Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the Series 2016A Bonds.

(b) In the event the Chairman or Executive Director determines to satisfy all or a portion of the Reserve Fund Requirement related to the Series 2016A Bonds by depositing with the Trustee a Reserve Fund Credit Facility, the Executive Director is authorized to select a Reserve Fund Credit Facility Provider and to purchase such Reserve Fund Credit Facility and to negotiate, approve and execute and deliver a reimbursement agreement to evidence the Authority’s Reserve Fund Credit Reimbursement Obligation in connection therewith in form and with terms that in the Executive Director’s judgment after consulting with the Authority’s Financial Advisor are advisable and in the best interest of the Authority.

Section 303- Disposition of Remainder of Bond Proceeds.

The balance of the proceeds received from the sale of the Series 2016A Bonds, including any premium received over the principal amount of the Series 2016A Bonds after deducting the amounts to be paid for costs of issuing the Series 2016A Bonds, amounts necessary to ensure the deposit to the Reserve Fund equals the Required Debt Service Reserve, and after deducting the amount allocable to the Reserve Fund Obligations, if any, which amount shall be deposited in the Reserve Fund, shall be deposited with the Borrower and applied towards costs of issuance and to costs of defeasing, or purchasing, the outstanding bonds represented by the 2011 Loan (as such term is defined in the Loan Agreement) or such other permitted purposes.

ARTICLE IV
EXECUTION AND FORM OF SERIES 2016A BONDS

Section 401- Execution and Form of Series 2016A Bonds.

The Series 2016A Bonds shall be executed in the manner set forth in Section 202 of the 2016 Master Resolution. Subject to the provisions of the 2016 Master Resolution, the Series 2016A Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK AUTHORITY
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2016A

INTEREST RATE:	MATURITY DATE:	CUSIP NO.:
_____%	October 1, 20__	_____

Registered Owner: CEDE & Co.

Principal Amount: _____ and No/100 Dollars

Alaska Municipal Bond Bank Authority (herein called the "Authority"), a public body corporate and politic, constituted as an instrumentality of the State of Alaska, organized and existing under and pursuant to the laws of the State of Alaska, acknowledges itself indebted to, and for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum specified above on the Maturity Date specified above, and to pay to the registered owner hereof interest on such principal sum from the date hereof to the date of maturity of this Bond at the rate per annum specified above, payable on each April 1 and October 1, commencing October 1, 2016. For so long as this Bond is held in book-entry form, payment of principal and interest shall be made by wire transfer to the registered owner pursuant to written instructions furnished to The Bank of New York Mellon Trust Company, N.A., as trustee under the 2016 Master Bond Resolution of the Authority, adopted on May 5, 2016 (as amended and supplemented from time to time, the "2016 Master Resolution"), or its successor or assigns as trustee (herein called the "Trustee"). In the event this Bond is no longer held in book-entry form, (i) payment of interest will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the bond register of the Authority kept by the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2016A Bonds received at least 15 days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal will be payable upon presentation and surrender hereof at the corporate trust office of the Trustee. Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months. Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is a Master Resolution general obligation of the Authority and is one of a duly authorized issue of Bonds of the Authority designated "Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds" (herein called the "Bonds"), issued and to be

issued in various series under and pursuant to the Alaska Municipal Bond Bank Authority Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the “Act”), and under and pursuant to the 2016 Master Resolution and a series resolution authorizing each such series. As provided in the 2016 Master Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds that may be issued under the 2016 Master Resolution is not limited except as provided in the 2016 Master Resolution, the applicable series resolution, and the Act, and all Bonds issued and to be issued under said 2016 Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, to the extent provided and except as otherwise expressly permitted in the 2016 Master Resolution and the applicable series resolution.

The Series 2016A Bonds are Master Resolution general obligation bonds payable solely from the sources provided in and pledged pursuant to the Master Resolution and the series resolution. The full faith and credit of the Authority are pledged to the payment of the Series 2016A Bonds, subject to agreements heretofore and hereafter made to the owners of other bonds and notes issued under resolutions of the Authority (or the Bond Bank) pledging particular revenues or assets not pledged under the Master Resolution but pledged under other resolutions or other instruments of the Authority (or specifically excluded from any pledge). The Authority is obligated to pay the principal of and premium, if any, and interest on the Bonds, including this Bond, only from the funds of the Authority pledged pursuant to the 2016 Master Resolution and the applicable series resolution, and the State of Alaska is not obligated to pay the principal or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, premium, if any, or interest on the Bonds, including this Bond. The Authority has no taxing power.

This Bond is one of a series of Bonds (the “Series 2016A Bonds”) issued in the aggregate principal amount of \$_____ under the 2016 Master Resolution of the Authority and a series resolution of the Authority, adopted on May 5, 2016, and entitled “A Series Resolution Authorizing the Issuance of Master Resolution General Obligation Bonds, Series 2016A, of the Alaska Municipal Bond Bank Authority” (said resolutions being herein collectively called the “Resolutions”).

Copies of the Resolutions are on file at the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Series 2016A Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the Series 2016A Bonds with respect thereto; and the terms and conditions upon which the Bonds are issued and may be issued thereunder; to all of the provisions of which the registered owner of this Bond, by acceptance of this Bond, consents and agrees. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Authority, with the written consent of the registered owners of at least two-thirds in principal amount of the Bonds then outstanding and, in case less than all of the several series of Bonds would be affected

thereby, with such consent of the registered owners of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding.

The Series 2016A Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The Series 2016A Bonds maturing on or after October 1, 20__, are subject to redemption, in whole or in part, on or after _____ 1, 20__, at the option of the Authority at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

[Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 2016A Bonds maturing on October 1, 20__ (the "Term Bonds") are subject to mandatory redemption on October 1 of the following years and in the following principal amounts at a redemption price equal to 100% of the principal amount of the Series 2016A Bonds to be redeemed plus accrued interest, if any, to the date fixed for redemption.]

Term Bonds Due October 1, 20__

<u>Year</u>	<u>Sinking Fund Requirement</u>
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Notice of redemption (which in the case of optional redemption shall be a conditional notice) will be mailed to registered owners of Series 2016A Bonds called for redemption not less than 20 days or more than 60 days before the date fixed for redemption. Except as provided in the Resolutions, interest on any Series 2016A Bonds called for redemption will cease on the date fixed for redemption.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered Series 2016A Bond or Bonds in the same aggregate principal amount and of the same maturity, in authorized denominations, shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed.

The Series 2016A Bonds are issuable in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Series 2016A Bonds maturing in the year of maturity of the Bond for which the denomination of the Bond is to be specified. Subject to such conditions and upon payment of such charges, if any, Series 2016A Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Series 2016A Bonds of any other authorized denominations, of the same maturity.

The Authority is obligated to pay the principal of and interest on the Series 2016A Bonds only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay such principal of or interest on the Series 2016A Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal of or the interest on the Series 2016A Bonds.

This Bond is fully negotiable for all purposes of the Uniform Commercial Code, and each owner of this Bond by accepting this Bond shall be conclusively considered to have agreed that this Bond is fully negotiable for those purposes.

The obligations of the Authority contained in the Resolutions and in this Series 2016A Bond are the obligations of the Authority and not of any member, director, officer or employee of the Authority, and no recourse shall be had for the payment of the principal or redemption price or interest on this bond or for any claim hereon or on the Resolutions against any member, director, officer or employee of the Authority or any natural person executing the Series 2016A Bonds.

This Bond shall not be entitled to any benefit under the Resolutions or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series 2016A Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Executive Director all as of the _____ day of _____ 2016.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

[S E A L]

MARK E. PFEFFER
Chairman

A T T E S T:

DEVEN J. MITCHELL
Executive Director

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the Series 2016A Bonds of the Alaska Municipal Bond Bank Authority.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Date of Authentication:

Authorized Officer

ARTICLE V
MISCELLANEOUS

Section 501- Paying Agent.

The Bank of New York Mellon Trust Company, N.A., or its successor or assigns, is appointed paying agent for the Series 2016A Bonds.

Section 502– Arbitrage Rebate.

Except as otherwise provided in the Authority’s tax certificate, within 30 days after the end of every fifth Bond Year and within 60 days after the date on which all of the Series 2016A Bonds have been retired (and/or at such other times as may be required by the Code and applicable Income Tax Regulations), the Authority shall determine the Excess Investment Earnings and shall pay rebate amounts due to the United States of America as provided in Section 148(f) of the Code.

Section 503- Series 2016A Debt Service Account.

There is hereby established as a special account in the Debt Service Fund the “Series 2016A Debt Service Account,” for the purpose of receiving amounts in the Debt Service Fund allocable to the Series 2016A Bonds. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the Series 2016A Debt Service Account.

Section 504- Tax Exemption and General Tax Covenant.

The Authority intends that interest on the Series 2016A Bonds shall be excludable from gross income for federal income tax purposes pursuant to Section 103 and 141 through 150 of the Code, and the applicable regulations. The Authority covenants not to take any action, or knowingly omit to take any action within its control, that if taken or omitted would cause the interest on the Series 2016A Bonds issued on a tax exempt basis to be included in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

Section 505- Arbitrage Covenant.

The Authority shall make no use or investment of the gross proceeds of the Series 2016A Bonds which will cause the Series 2016A Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Authority hereby covenants that so long as any of the Series 2016A Bonds are outstanding, the Authority, with respect to the gross proceeds of the Series 2016A Bonds, shall comply with all requirements of said Section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 506- Loan Agreement.

The Chairman and the Executive Director are, and each hereby is, authorized to execute the Loan Agreement between the Authority and the Borrower referred to herein, in a form similar to the forms attached hereto as Appendix C and submitted to and part of the records of the meeting on May 5, 2016, with such changes as the Chairman or the Executive Director shall deem advisable.

Section 507– Security Documents.

The Chairman and the Executive Director are, and each hereby is, authorized to approve and if required, to execute and deliver the final forms of such agreements, certificates and documents securing the repayment of the Series 2016A Bonds, including, but not limited to, the deed of trust, security agreement, pledge agreement and/or financing statement to secure repayment of the Borrower Bond and the Borrower Payments.

Section 508- Continuing Disclosure.

The Authority hereby covenants and agrees that it will execute and deliver and will comply with and carry out all of the provisions of the form of Continuing Disclosure Certificate attached hereto as Appendix B with such changes as the Chairman or the Executive Director shall deem advisable and in the best interest of the Authority. Notwithstanding any other provision of this Series 2016A Resolution, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be a default of the Authority’s obligations under this Series 2016A Resolution, the 2016 Master Resolution or the Series 2016A Bonds; provided that the Beneficial Owner of any Bond, however, may bring an action for specific performance to cause the Authority to comply with its obligations under the Continuing Disclosure Certificate and this Section.

The Chairman and the Executive Director are, and each hereby is, authorized to approve the form and provisions of the Borrower’s Continuing Disclosure Agreement.

Section 509- Chairman and Executive Director.

The Chairman and the Executive Director are, and each hereby is, authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this Series 2016A Resolution and to effectuate the issuance and delivery of the Series 2016A Bonds, including agreement and acceptance of the Bond Purchase Agreement, the Reserve Fund Credit

Facility, if any, and all prior actions taken to effectuate and in connection with the provisions of this Series 2016A Resolution and the issuance and delivery of the Series 2016A Bonds are hereby ratified and confirmed. The authority and ratification granted in this Section 509 to the Chairman and the Executive Director includes authorization to solicit commitments for a policy of insurance with respect to payment of the interest on and principal of the Bonds and/or a surety policy and thereafter to accept such commitment which is in the best interest of the Authority and enter into such agreement with the bond insurer as shall be in the best interests of the Authority.

Section 510- Effective Date.

This Series 2016A Resolution shall take effect immediately on the date hereof (May 5, 2016).

APPENDIX A

BLANKET ISSUER LETTER OF REPRESENTATIONS

Blanket Issuer Letter of Representations
[To be Completed by Issuer]

ALASKA MUNICIPAL BOND BANK
(Name of Issuer)

May 2, 1995
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

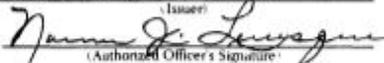
To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

ALASKA MUNICIPAL BOND BANK
(Issuer)

By: 
(Authorized Officer's Signature)
NORMAN J. LEVESQUE
Executive Director

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: 

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable
only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such

other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX B
FORM OF
CONTINUING DISCLOSURE CERTIFICATE OF THE AUTHORITY

Alaska Municipal Bond Bank Authority (the “Issuer”) executes and delivers this Continuing Disclosure Certificate (the “Disclosure Certificate”) in connection with the issuance of \$_____ Alaska Municipal Bond Bank Authority General Obligation Bonds, Series 2016A (the “Bonds”). The Bonds are being issued under the 2016 Master Bond Resolution of the Issuer entitled “A Master Resolution Providing For The Issuance Of Bonds Of The Alaska Municipal Bond Bank Authority; Providing For The Issuance Of Additional Bonds; Securing The Payment Of The Principal Or Accreted Value Of And Premium, If Any, And Interest On All Of Said Bonds; And Providing For The Rights Of The Owners Thereof,” adopted by the Board of Directors of the Authority (the “Board”) on May 5, 2016, as amended and supplemented from time to time (the “Master Resolution”), and Series Resolution No. 2016-04 adopted by the Board on May 5, 2016 (the “Series Resolution,” and together with the Master Resolution, the “Resolutions”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

“Beneficial Owner” means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or intermediaries).

“Fiscal Year” means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

“Holder” means the person in whose name any Bond is registered.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. (a) Not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2017, the Issuer will provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report. The Annual Report may cross-reference other information as provided below, and the Issuer's audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above if the audited financial statements are not available by that date. The Annual Report shall contain or include by reference:

- (1) annual audited financial statements of the Issuer;
- (2) the 2016 Reserve Fund balance; and
- (3) historical operating data and financial information of the type included in the Official Statement in [Tables 1, 2, 3 and 4 and in the Table entitled "Total Bond Bank Bonds issued and Outstanding as of January 1, 2016"]

Any or all of these items may be included by specific reference to documents available to the public on the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) The Issuer has required that each Borrower enter into a continuing disclosure agreement, substantially in the form of the continuing disclosure agreement included in an appendix to the Borrower's Loan Agreement. The Issuer undertakes no responsibility and shall incur no liability whatsoever to any person, including any Holder or Beneficial Owner of the Bonds, in respect of any obligations or reports, notices or disclosures provided or required to be provided by such Borrower under its continuing disclosure agreement.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days after the occurrence of such event:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds which include (i) the issuance by the Internal Revenue Service (“IRS”) of proposed or final determinations of taxability, (ii) a Notice of Proposed Issue (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other material events affecting the tax status of the Bonds.

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar proceeding by the Issuer or “obligated person.”

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days after the occurrence of such event, if material:

(1) Nonpayment-related defaults.

(2) Modifications to rights of Holders of the Bonds.

(3) Optional, unscheduled or contingent Bond calls.

(4) Release, substitution or sale of property securing repayment of the Bonds.

(5) Other than in the normal course of business, the consummation of a merger, consolidation, or acquisition involving an “obligated person,” or the sale of all or substantially all of the assets of the Issuer or “obligated person,” or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms.

(6) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in a filing with the MSRB.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at <http://www.emma.msrb.org>, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to the information that is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice in addition to the information specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or to include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, that any such action may be instituted only in a State court in Juneau, Alaska. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATED this ____ day of _____ 2016.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

DEVEN J. MITCHELL
Executive Director

APPENDIX C
FORM OF THE
LOAN AGREEMENT
BETWEEN THE ALASKA MUNICIPAL BOND BANK AUTHORITY AND
[NAME OF REGIONAL HEALTH ORGANIZATION]

[DATE OF SALE], 20__

TABLE OF CONTENTS

Page

ARTICLE I	
DEFINITIONS AND RULES OF INTERPRETATION AND CONSTRUCTION	
Section 1.01.	Definitions..... 2
Section 1.02.	Rules of Interpretation and Construction 2
ARTICLE II	
REPRESENTATIONS OF THE BORROWER	
Section 2.01.	Representations 2
Section 2.02.	Survival of Representations 3
ARTICLE III	
ISSUANCE OF THE SERIES _____ BONDS AND THE BORROWER BOND	
Section 3.01.	Agreement to Issue the Series _____ Bonds 3
Section 3.02.	Agreement to Issue the Borrower Bond 3
ARTICLE IV	
SECURITY AND SOURCES OF PAYMENT FOR BORROWER LOAN PAYMENTS AND FOR THE BORROWER BOND	
Section 4.01.	Security and Sources of Payment..... 4
Section 4.02.	Borrower Loan Payments..... 5
Section 4.03.	Borrower Reserve Account 6
Section 4.04.	Additional Financial Covenants..... 6
Section 4.05.	Refundings 7
Section 4.06.	Redemptions and Sales; Defeasance 7
ARTICLE V	
ADDITIONAL COVENANTS AND AGREEMENTS	
Section 5.01.	Fees and Charges 8
Section 5.02.	Closing Conditions..... 9
Section 5.03.	Reports and Invoices..... 9
Section 5.04.	Tax Covenants 10
Section 5.05.	Events of Default 11
ARTICLE VI	
MISCELLANEOUS	
Section 6.01.	Severability 12
Section 6.02.	Counterparts..... 12
Section 6.03.	Waivers; Mergers etc 12
Section 6.04.	Governing Law 12
Exhibit A –Terms of the Borrower Revenue Bond	
Exhibit B – Definitions	
Exhibit C - Form of Continuing Disclosure Agreement	

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ___ day of _____ 20__, between the ALASKA MUNICIPAL BOND BANK AUTHORITY (the "Authority"), a public corporation and an instrumentality of the State of Alaska (the "State") created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes (as amended from time to time, the "Act"), and the _____, an Alaska nonprofit corporation (the "Borrower"):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Authority is authorized to make loans of money (the "Loan" or "Loans") to regional health organizations to finance up to 49 percent of costs of regional health projects; and

WHEREAS, as required by the Act, the Borrower is a regional health organization as defined in Chapter 28, Title 18, Alaska Statutes and pursuant to the Act is authorized to accept a Loan from the Authority and to evidence and secure its obligation to repay the Loan as provided in this Loan Agreement; and

WHEREAS, the Borrower desires to borrow money from the Authority in an amount not to exceed \$_____ to finance, together with funds contributed by or for the account of the Borrower, costs of _____ and has submitted an application to the Authority for a Loan in an amount not to exceed \$_____ ; and

WHEREAS, as required by the Act and confirmed by information provided by the Borrower, the amount of the Loan to be made by the Authority to the Borrower is not more than 49 percent of the total cost of the project to be financed or refinanced in part with proceeds of the Loan; and

WHEREAS, to evidence and to secure its payment obligations under this Loan Agreement, the Borrower is issuing its revenue bond to the Authority in the aggregate principal amount of \$_____ (the "Borrower Bond"), which bond in accordance with this Loan Agreement is to be purchased by the Authority as evidence of the Loan and as security for the payment by the Authority of [a portion of] the Authority's Series _____ Bonds described below; and

WHEREAS, the Borrower's application to the Authority contains the information requested by the Authority; and

WHEREAS, to provide for the issuance of bonds of the Authority to obtain from time to time money with which to make Loans to borrowers, including regional health organizations, on May 5, 2016 the Board of Directors of the Authority (the "Board") adopted Resolution No. 2016-03 (the "2016 Master Resolution"), and to authorize the issuance by the Authority of its Series _____ Bonds and the making of a Loan to the Borrower and the purchase by the Authority of the Borrower Bond, on _____, 20__ the Board adopted Series Resolution No. _____ - _____ (together with the 2016 Master Resolution, the "Bond Resolution");

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE I
Definitions and Rules of Interpretation and Construction

Section 1.01. Definitions. In addition to the words and terms defined elsewhere in this Loan Agreement, capitalized terms used herein shall have the meanings assigned thereto in Exhibit B of this Loan Agreement, unless the context or use clearly indicates another or different meaning or intent, and any other words and terms used herein shall have the meanings assigned thereto in the Bond Resolution.

Section 1.02. Rules of Interpretation and Construction. Unless the context clearly indicates to the contrary, the rules of interpretation and construction set forth in Part II of Exhibit B shall apply to the interpretation and construction of this Agreement.

ARTICLE II
Representations of the Borrower

Section 2.01. Representations. The Borrower represents to the Authority that:

(a) The Borrower is a nonprofit corporation duly organized and existing under the laws of the State of Alaska and is a regional health organization as defined in Alaska Statutes (“AS”) 18.28.100;

(b) The Borrower (i) is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”); (ii) is exempt from federal income taxation under Section 501(a) of the Code, except for taxes imposed on unrelated business income (other than income related to the Project) pursuant to Section 511 of the Code and is an organization described in Section 170(b)(1)(A) of the Code; (iii) is not a “private foundation” as defined by Section 509(a) of the Code; (iv) has not received any notice from the Internal Revenue Service that the Borrower’s returns are being audited or that its status as an organization described in Section 501(c)(3) of the Code is being investigated or challenged; and (v) is in compliance with its status described in this subsection 2.01(b);

(c) The Borrower has the legal power and authority to enter into and to perform its obligations under this Loan Agreement and under the Borrower Bond and the other Borrower Documents and has duly authorized the execution and delivery of, and the performance by the Borrower of its obligations under, this Loan Agreement, the Borrower Bond and the other Borrower Documents;

(d) The execution and delivery by the Borrower of this Loan Agreement, the Borrower Bond and each of the other Borrower Documents and the performance by the Borrower of its obligations hereunder and thereunder (i) do not violate any laws, regulations or court orders or decrees that apply to, and would have a material impact on, the Borrower or its operations or financial position or any provision of the Borrower’s articles of incorporation or bylaws; (ii) do

not violate, breach or result in a default or event of default under any document, covenant or agreement by the Borrower relating to any agreement or indebtedness that will be in effect or outstanding as of the time the Borrower Bond is issued, including any grant or funding agreement to which the Borrower is a party or a beneficiary;

(e) When issued, the Borrower Bond will be the Borrower's only outstanding indebtedness other than _____;

(f) No action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body is pending or, to the best knowledge of the Borrower after due investigation is threatened, against or affecting the Borrower, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Loan Agreement, the Borrower Bond or any of the other Borrower Documents or the first priority of the liens created by the Security Documents or the Borrower's ability to perform its obligations thereunder or under any of the other Borrower Documents or the exclusion from gross income for federal income tax purposes of interest on the Borrower Bond or the Series _____ Bonds;

(g) No further authorizations, consents or approvals of any governmental or Borrower body, board or agency are required in connection with the execution and delivery by the Borrower of this Loan Agreement or any other Borrower Document, the issuance of the Borrower Bond or the performance by the Borrower of its obligations thereunder, and each of the applicable authorizations, consents and approvals heretofore obtained is in full force and effect and has not been amended, revoked or superseded; and

(h) As of the time the Borrower Bond is issued and delivered, the only claims or liens on or against the Project and other assets of the Borrower will be [in connection with certain equipment leases:] the pledge by the Borrower of its Gross Receivables to secure the payment by the Borrower of the Borrower Bond, the Borrower's Allocable Proportion of the Authority's Reserve Fund Expenses and the amount, if any, required to pay or to reimburse the Authority for the payment of a Reserve Fund Reimbursement Obligation and/or Credit Facility Reimbursement Obligation attributed to the Borrower; and the first-priority security interest and lien created by the Depository Agreement on Gross Receivables, if any, that may be required to be deposited with the Depository for the benefit of the Authority to secure such payments.

Section 2.02. Survival of Representations. Each of the representations above shall survive the execution and delivery of this Loan Agreement.

ARTICLE III

Issuance of the Series _____ Bonds and the Borrower Bond

Section 3.01. Agreement to Issue the Series _____ Bonds. To provide moneys to make the Loan to the Borrower, the Authority agrees that it will issue its Series _____ Bonds under the Bond Resolution and will cause the proceeds of such Bonds to be applied, together with funds deposited by the Borrower (i) to finance a portion of the costs of _____ and/or to refinance _____; (ii) to make a deposit to the Reserve Fund created under the Bond Resolution [and a deposit to the Borrower's Reserve

Account held by the Trustee]; and (iii) to pay a portion of the costs of issuing the Series _____ Bonds and costs of issuing the Borrower Bond.

Section 3.02. Agreement to Issue the Borrower Bond. (a) The Borrower hereby accepts the Loan from the Authority in the principal amount of \$_____ and as evidence of the Loan made to the Borrower and such money borrowed from the Authority by the Borrower, and to secure the repayment thereof together with interest thereon, the Borrower hereby executes and delivers [to the Trustee the Security Documents and] to the Authority this Loan Agreement and the Borrower Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement representing interest due on its Borrower Bond (the “Borrower Bond Interest Payments”) shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Authority to obtain the money with which to make the Loan and to purchase the Borrower Bond (the “Loan Obligations”). Amounts to be paid by the Borrower pursuant to this Loan Agreement representing principal due on the Borrower’s Borrower Bond (as further defined below, the “Borrower Bond Principal Payments”), together with the Borrower Bond Interest Payments and the payments required by Subsection 3.02(d), shall be paid by the Borrower in semiannual installments as set forth in Article IV to provide, at least [three months and] seven days before the payment dates set forth in the Borrower Bond, funds sufficient to pay (1) the principal of the Loan Obligations, plus the interest thereon, as the same become due and payable, and (2) the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense at the time such payments are due and payable.

(c) Payments made by the Borrower to or for the account of the Authority in accordance with the Borrower Bond shall be credited against the comparable payments required to be made by the Borrower under this Loan Agreement.

(d) The Borrower also agrees to pay the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense, if any, and the portion of any Reserve Fund Credit Facility Reimbursement Obligation or Credit Facility Reimbursement Obligation attributed to the Borrower, at the times and in the amounts required pursuant to Sections 4.01 and 4.02 of this Loan Agreement.

ARTICLE IV

Security and Sources of Payment for Borrower Loan Payments and for the Borrower Bond

Section 4.01. Security and Sources of Payment. (a) The Borrower’s obligation to repay the Loan and to pay the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense is a special revenue obligation of the Borrower, payable solely from the Borrower’s Gross Receivables (excluding Restricted Borrower Funds), and the Borrower hereby pledges and assigns to and grants to the Trustee for the benefit of the Authority a first priority security interest in and a lien on such Gross Receivables to provide for and to secure repayment of the Loan, payment of the Borrower’s Allocable Proportion of Authority Reserve Interest Expense, if any, and payment of the portion of any Reimbursement Obligation attributed to the Borrower.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement representing Borrower Bond Payments, including Borrower Bond Interest Payments, Borrower Bond Principal Payments, the Borrower's Allocable Portion of Authority's Interest Expense, if any, and the portion of any Reimbursement Obligation attributed to the Borrower shall be payable from, and be secured by the Borrower's pledge, grant and assignment of, and the Borrower hereby pledges and assigns and grants a first-priority security interest in and lien on (i) the Borrower's Gross Receivables (excluding all Restricted Borrower Funds); and (ii) amounts on deposit with the Trustee in the Borrower Debt Service Subaccount and in the Borrower Reserve Account and any investment income thereon.

(c) To provide for any required deposits to the Depository and to perfect the security interest of the Trustee in Gross Receivables and in the Depository Account established with the Depository, the Borrower agrees to enter into a Depository Agreement with [Name of Bank], as Depository, and the Trustee and agrees that on and after a required Deposit Date, if any, the Borrower will deposit or cause to be deposited upon receipt all Gross Receivables (other than Restricted Borrower Funds) until the required payment or payments described below have been made. The Borrower confirms that no other party has, or will be granted, a claim to, lien on or security interest in such Gross Receivables on a parity with or senior to the claim, lien and security interest of the Authority and consents to the filing of financing statements naming the Trustee as secured party and the Borrower as debtor.

Section 4.02. Borrower Loan Payments. (a) The Borrower agrees with the Authority that not later than the 20th calendar day of each _____ and _____ [i.e., the [fourth] month before each semiannual bond payment date] (or the previous Business Day if the 20th day is not a Business Day), the Borrower will pay or cause to be paid to the Trustee:

(1) for deposit to the Borrower Interest Account in the Debt Service Fund held by the Trustee under the Bond Resolution, an amount equal to all of the interest that will be due and payable on the Borrower Bond on the next interest payment date;

(2) for deposit to the Borrower Principal Account in the Debt Service Fund held by the Trustee, one-half (1/2) of the amount of principal due (whether at maturity or, in the case of term bonds, by reason of mandatory sinking fund payments), as specified in the maturity schedule included in this Loan Agreement as Exhibit A, on the next principal payment or redemption date ("Borrower Bond Principal Payments");

(3) for deposit to the Authority Reserve Account, an amount equal to all of the Borrower's Allocable Proportion of Authority Reserve Fund Interest Expense and/or the portion of any Reserve Fund Credit Facility Reimbursement Obligation or other Reimbursement Obligation attributable to the Borrower for the following six months;

(4) for deposit to the Borrower reserve (4) account held by the Trustee as provided in Section 4.03 (the "Borrower Reserve Account") the amount, if any, required to make the balance in the Borrower Reserve Account equal to the reserve requirement required to be maintained therein pursuant to Section 4.03; and

(5) any additional amount required to be paid by the Borrower so that at least seven (7) Business Days before the Series _____ Interest Payment Date, Borrower funds held by the Trustee in the debt service account are sufficient to pay when due the principal of and interest on the Loan Obligations and to pay any other Borrower Payments then due and payable.

(b) The Borrower also agrees to make all of the payments required pursuant to Section 5.01.

(c) The Borrower further agrees that if any of the payments required to be made pursuant to subsection (a) of this Section 4.02 are not made when due, the Authority shall notify the Borrower and the Depository and (i) request that such payment be made by the Borrower and (ii) if such payment is not made by the third day (or the prior Business Day if the third day is not a Business Day, such Business Day hereinafter referred to as a "Deposit Day") after the date such payment was due, direct the Borrower to transfer upon receipt all Gross Receivables (other than Restricted Borrower Funds) to the Depository for deposit to the [Operating Fund] held by the Depository under the Depository Agreement and direct the Depository to withdraw from such Operating Fund on each Business Day thereafter, before any other payment or withdrawal is made, and transfer to the Trustee for deposit to the Borrower Debt Service Subaccount held by the Trustee all such Gross Receivables until the amount transferred to the Trustee after such Deposit Day is at least equal to the unpaid amounts due payable on or before the Deposit Day, plus the amount of all payments scheduled to be made pursuant to 4.02(a) for the following six months.

(d) The Borrower further agrees that if the payments required to be made pursuant to this Loan Agreement are not made available by the times specified herein, the Authority, to the extent permitted by law and by the terms of the applicable grants, may notify the appropriate officer of each agency that provides or administers grants to the Borrower and seek to intercept funds under such grants.

Section 4.03. Borrower Reserve Account. The Borrower hereby agrees that it shall deposit with the Trustee, at the time of Loan funding, the Borrower's debt service reserve requirement in an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125 percent of average annual debt service on the Borrower Bond and (iii) 10 percent of the initial principal amount of the Borrower Bond, to secure payment of principal and interest on its Borrower Bond; that such reserve deposit shall be held by the Trustee in the name of the Borrower in a separate reserve account; and that the yield on the amount held in the reserve account shall be restricted to a yield not in excess of _____ percent.

Section 4.04. Additional Financial Covenants. (A) The Borrower covenants with the Authority that the Borrower will maintain at least 50 Days Cash on Hand to be tested and reported to the Authority on a semiannual basis as of [March 31 and September 30] of each year, commencing [September 30], 20___. In the event Cash on Hand is less than 50 Days Cash on Hand on a March 31 or September 30, the Borrower shall retain an independent consultant to make recommendations to the Borrower regarding improvement of the Borrower's liquidity

position and shall use its best efforts to follow and implement the recommendations of the independent consultant.

(B) The Borrower also shall maintain a Debt Service Coverage Ratio of at least 1.25 to 1.0, tested annually as of the end of each Fiscal Year and reported to the Authority no later than 90 days after the end of such Fiscal Year. The Borrower agrees that if the Borrower's Debt Service Coverage Ratio is less than 1.25, the Borrower will retain an independent consultant (which may be the same consultant retained pursuant to Subsection 4.04(A)) to make recommendations regarding improvement of the Borrower's Debt Service Coverage Ratio.

(C) The Borrower agrees in addition that it will maintain in its [Operating] Fund a balance of at least \$_____.

(C) The Borrower agrees it will issue or incur no Indebtedness that is payable from, or secured by a claim to or a pledge of or lien on, Gross Receivables that is prior to the claim, pledge and lien of the Borrower Bond and will not issue any Indebtedness the maturity or payment of which can be accelerated if the Borrower Bond has not been accelerated.

(D) The Borrower also agrees that it will issue Parity Obligations only (1) after [45] days' prior written notice is delivered to the Authority, together with a certificate confirming to the Authority that for the most recent 12-month period for which audited financial statements are available and taking into account maximum annual debt service on all then outstanding Parity Obligations, including the Borrower Bond, and the Parity Obligations then to be issued, the Borrower's Debt Service Coverage for such 12-month period was not less than ___ percent; and (2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld or delayed.

Section 4.05. Refundings. If Loan Obligations have been refunded and the interest expense the Authority will be required to incur on its refunding bonds in any year is less than the interest expense to be incurred by the Borrower on the Borrower Bond for the corresponding year pursuant to the terms of the Borrower Bond, then both the Borrower Bond Interest Payments and the Borrower Bond Principal Payments and the monthly deposits therefor will be adjusted in such a manner that (i) the interest expense to be incurred by the Borrower on any principal installment of the Borrower Bond is equal to the interest expense to be incurred by the Authority on the corresponding principal installment of the Authority's refunding bonds and (ii) on a present value basis the sum of the adjusted Borrower Bond Interest Payments and Borrower Bond Principal Payments is equal to or less than the sum of the Borrower Bond Interest Payments and Borrower Bond Principal Payments due over the remaining term of the Borrower Bond as previously established under this Loan Agreement. In the event of such a refunding of Loan Obligations, the Authority shall present to the Borrower for the Borrower's approval, a revised schedule of principal installment amounts and interest rates for the Borrower Bond. If approved by the Borrower the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates and monthly deposits.

Section 4.06. Redemptions and Sales; Defeasance. (A) The Authority shall not sell and the Borrower shall not redeem prior to maturity any portion of the Borrower Bond in an amount greater than the Loan Obligations that are then outstanding and that are then redeemable and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Borrower Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Borrower Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Borrower Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Authority in effecting the redemption of the Borrower Bond (or portion thereof) to be redeemed. Unless the Authority agrees to a shorter period, the Borrower shall give the Authority at least 50 days' notice of intention to redeem its Borrower Bond.

If the Loan Obligations with respect to which the sale or redemption prior to maturity of such Borrower Bond is being made have been refunded and the refunding bonds of the Authority issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Borrower Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

If the Loan Obligations have been refunded and the interest the Authority is required to pay on the refunding bonds is less than the interest the Authority was required to pay on the Loan Obligations, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

If the Loan Obligations have been refunded, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (iii) above, when the refunded Loan Obligations are to be redeemed, shall be the applicable premium, if any, on the Loan Obligations to be redeemed.

(B) Nothing in Section 4.05 or in this Section 4.06 shall be construed as preventing the Borrower from refunding the Borrower Bond in exchange for a new Borrower Bond in conjunction with a refunding of the Loan Obligations. The Borrower also may provide for the payment of and may defease its Borrower Bond (1) by giving at least 50 days' notice to an Authorized Officer (unless the Authorized Officer consents to a shorter period); (2) by delivering to the Trustee moneys in an amount or noncallable Government Obligations, the principal of and interest on which when due will, together with such moneys, in the written opinion of an independent certified public accountant or independent consulting firm delivered to the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Loan Obligations when due to the stated date fixed for redemption or to each maturity date as set forth in such opinion; and (3) unless waived by the Authority, by delivering to the Authority a written Counsel Opinion to the effect that such defeasance will not in and of itself cause the interest on the Borrower Bond or on the Series _____ Bonds to be included in gross income for federal income tax purposes.

ARTICLE V
Additional Covenants and Agreements

Section 5.01. Fees and Charges. The Borrower is obligated to pay to the Authority Fees and Charges within 30 days after receiving an invoice from the Authority therefor. Such Fees and Charges actually collected from the Borrower shall be in an amount sufficient, together with the Borrower's Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Account pursuant to Section 606 of the 2016 Master Resolution:

a. to pay, as the same become due, the Borrower's Allocable Proportion of the Administrative Expenses of the Authority;

b. to pay, as the same become due, the Borrower's Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The Borrower's Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the Borrower Bond outstanding bears to the total of all Loans then outstanding to all Borrowers under the 2016 Master Resolution, as certified by the Authority. The waiver by the Authority of any fees payable pursuant to this Section 5.01 shall not constitute a subsequent waiver thereof.

Section 5.02. Closing Conditions. (a) Simultaneously with the delivery of the Borrower Bond to the Authority, the Borrower shall furnish to the Authority each of the Security Documents, together with evidence satisfactory to the Authority that sets forth, among other things, that the Borrower Bond constitutes a valid and binding obligation of the Borrower secured by the Borrower's pledge and assignment of and first-priority lien and security interest granted in and on the security and sources of payment made and provided for in Article IV; and that except for the _____, the Borrower Bond is the Borrower's only outstanding Indebtedness.

(b) Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the Borrower Bond to the Authority or its designee, the Authority shall have the right to cancel all or any part of its obligations hereunder if it determines that:

(1) Any representation or other statement made by the Borrower to the Authority in connection with its application to the Authority for a Loan shall be incorrect or incomplete in any material respect.

(2) The Borrower has violated commitments made by it in the terms of this Loan Agreement.

(3) The financial position of the Borrower has, in the opinion of the Authority, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Borrower Bond to the Authority.

(c) The obligation of the Authority under this Loan Agreement is contingent upon delivery of Series _____ Bonds and receipt of the proceeds thereof and upon the deposit by the Borrower with the Trustee for credit to the Borrower Reserve Account of an amount equal to the reserve requirement required in Section 4.03.

Section 5.03. Reports and Invoices. (a) Invoices for payments under this Loan Agreement shall be addressed to the Borrower, _____; Attention: _____. The Borrower shall give the Authority and the corporate trust office of the Trustee under the Bond Resolution at least 30 days' written notice of any change in such address.

(b) The Borrower agrees to keep and retain, until the date six years after the retirement of the Borrower Bond, or any bond issued to refund the Borrower Bond, or such longer period as may be required by the Borrower's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Borrower Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The Borrower agrees that all records required by the preceding sentence shall be made available to the Authority upon request.

(c) The Borrower agrees that it will provide the Authority with written notice of any default in any covenant under any operating agreement and of any default by a party and of any nonpayment by an operator, within thirty (30) days after the date of such default or nonpayment.

(d) The Borrower agrees that it shall enter into a Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit C, and shall file the Annual Report, notices and annual financial statements with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the Borrower so long as the Borrower Bond and the allocable portion of the Series _____ Bonds are outstanding. The Borrower further agrees that filings thereunder shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R and _____. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Authority to the Borrower. The Borrower agrees that if it receives from the Authority CUSIP number(s) in addition to those set forth in this Subsection then the Borrower shall make its filings using the CUSIP numbers herein stated and any additional CUSIP number(s).

(e) The Borrower also agrees that upon request of the Authority, if the Borrower's bonds constitute ten percent (10%) or more of the outstanding principal amount of bonds of all borrowers under the 2016 Master Resolution, the Borrower will provide to the Authority for inclusion in future official statements operating data and financial operation generally of the type included in Appendix [B] of the Official Statement published in connection with the Series _____ Bonds and otherwise as may be requested by the Authority, to enable the Authority and applicable borrowers to comply with then-applicable disclosure requirements.

Section 5.04. Tax Covenants. (a) The Borrower agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Borrower Bond to be included in gross income for federal income tax purposes under section 103 of the Code.

(b) The Borrower shall not permit any of the proceeds of the Borrower Bond, or any facilities financed or refinanced with such proceeds, to be used in any manner that would cause the Borrower Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code.

(c) The Borrower agrees that it shall not take, or omit to take any action lawful and within its power to take that would, if taken or not taken, result in the Borrower’s ceasing to be a qualified 501(c)(3) organization.

(d) The Borrower shall make no use or investment of the proceeds of the Borrower Bond which will cause the Borrower Bond to be an “arbitrage bond” under Section 148 of the Code. So long as the Borrower Bond is outstanding, the Borrower, shall comply with all requirements of said Section 148 and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The Borrower shall indemnify and hold harmless the Authority from any obligation of the Borrower to make rebate payments to the United States under said Section 148 arising from the Borrower’s use or investment of the proceeds of the Borrower Bond.

Section 5.05. Events of Default. A Event of Default shall have occurred if:

(1) The Borrower shall fail to make any payment when due on the Borrower Bond or on any Parity Obligation;

(2) The Borrower shall fail to pay any Borrower Payment (other than a Borrower Payment referred to in clause (1) of this Section 5.05) or to make a required deposit to the Borrower Reserve Account;

(3) An Event of Default under the Security Agreement [or the Deed of Trust] occurs;

(4) Days Cash on Hand is less than 40 days for a Fiscal Year;

(5) The Borrower fails to observe any of its other covenants in Article IV;

(6) The Borrower fails to observe any other covenant (other than a covenant contained in subsection 5.03(d)) and if curable, such failure continues for a period of ___ days after written notice of such failure is given by the Authority or the Trustee; or

(7) Any Bankruptcy or Insolvency Event occurs.

Section 5.06. Remedies. (a) Upon the happening and continuance of any Event of Default specified in Section 5.05, the Authority may take any one or more of the following remedies:

(i) by mandamus or other suit, action or proceeding at law or in equity, enforce all of its rights under this Loan Agreement and require the Borrower to perform all of its obligations hereunder and under the Borrower Documents;

(ii) by bringing suit upon the Borrower Bond and/or this Loan Agreement or any of the other Borrower Documents and Security Agreements and/or direct the Depository or the Trustee to initiate and pursue such actions;

(iii) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the Authority; and

(iv) upon the occurrence of an Event of Default described in 5.05(1), 5.05(2) or 5.05(7) and unless the principal of the Borrower Bond has already become due and payable, by notice in writing to the Borrower, declare the principal of the Borrower Bond and the interest accrued thereon to be due and payable immediately or upon such other specified date and upon such declaration, the same shall become due and payable, anything in this Loan Agreement or in the Borrower Bond to the contrary notwithstanding.

(b) The remedy set forth in clause (iv) of subsection 5.06(a) is subject, however, to the condition that if at any time after the principal of the Borrower Bond has been declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Borrower pays to the Authority, or to the Trustee for the account of the Authority, an amount sufficient to pay all principal and interest on the Borrower Bond, together with interest on such Bonds, with interest on such overdue amounts at the applicable rates borne by the Borrower Bond, and/or on its Allocable Proportion of Authority Interest Expense or Reimbursement Obligation or both, as applicable, the Authority's reasonable expenses of enforcing its rights and any and all other defaults (other than payments of principal and interest due and payable solely by reason of such declaration) shall have been cured to the satisfaction of the Authority, then the Authority shall rescind and annul such declaration of acceleration and its consequences; provided, however that no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

ARTICLE VI Miscellaneous

Section 6.01. Severability. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

Section 6.02. Counterparts. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

Section 6.03. Waivers; Mergers etc. (a) No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

(b) This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

Section 6.04. Governing Law. This Loan Agreement and the obligations of the Authority and the Borrower shall be governing by the law of the State of Alaska.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

By: _____
DEVEN J. MITCHELL
Executive Director

NAME OF BORROWER

By: _____

EXHIBIT A

\$ _____
Name of Borrower
Revenue Bond, Series _____
("Borrower Bond")

Due <u>[Month] 1</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
-------------------------	----------------------------------	------------------------------

Principal installments shall be payable on _____ 1 in each of the years, and in the amounts set forth above. The Borrower Bond shall be dated _____, 20___. Interest on the Borrower Bond shall be payable on _____ 1, 20___, and thereafter on _____ 1 and _____ 1 of each year.

Prepayment Provisions: The Borrower Bond principal installments [stated to mature prior to _____] are not subject to prepayment prior to maturity.

Optional Prepayment: The Borrower Bond principal installments due on or after _____ 1, 20-- are subject to prepayment in whole or in part at the option of the Borrower on any date on or after _____ 1, 20___, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment.

EXHIBIT B

Part I

Definitions

“Act” means AS 44.85.005 through AS 44.85.420, as amended from time to time.

“Annual Debt Service” means the aggregate amount of the principal of, premium if any and interest on the Borrower Bond and any Parity Obligations payable during a Fiscal Year.

“Authority” means the Alaska Municipal Bond Bank Authority, a public corporation of the State and an instrumentality of the State within the Department of Revenue created pursuant to the provisions of the Act.

“Authority Reserve Fund Interest Expense” has the meaning assigned thereto in the Bond Resolution.

“Bankruptcy or Insolvency Event” means (i) the commencement by the Borrower of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law or the Borrower’s consent to the entry of an order for relief in an involuntary case under any such law; or the Borrower’s consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Borrower or for any substantial part of the Borrower’s property; or any general assignment by the Borrower for the benefit of creditors; or the Borrower’s failure to pay its debts as they become due; or the commencement by the Borrower of any corporate action in furtherance of any of the foregoing; or

(ii) the entry by a court having jurisdiction of a decree or order for relief in respect of the Borrower in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Borrower or for any substantial part of the Borrower’s property, or ordering the winding up or liquidation of the Borrower’s affairs, and such decree or order remains unstayed and in effect for a period of [60] consecutive days.

“Board” means the Board of Directors of the Authority.

“Bond Resolution” means the 2016 Master Resolution together with the Series Resolution.

“Borrower” means [Name of the Borrower], an Alaska nonprofit corporation.

“Borrower Bond” means the revenue bond issued by the Borrower in the principal amount of \$_____ to evidence and secure its obligation to repay the Loan to the Borrower from the Authority.

“Borrower Bond Interest Payments” has the meaning set forth in Subsection 3.02(b).

“Borrower Bond Principal Payments” has the meaning set forth in Subsection 3.02, as further defined in Subsection 4.02(B)(2).

“Borrower Debt Service Subaccount” has the meaning set forth in the Series Resolution.

“Borrower Documents” means this Loan Agreement, the Continuing Disclosure Agreement, the Depository Agreement and _____.

“Borrower Payments” has the meaning set forth in the Master Resolution.

“Borrower Reserve Account” has the meaning set forth in Section 4.02(a)(2)(C) if this Loan Agreement.

“Borrower Reserve Requirement” means an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125% of average annual debt service on the Borrower Bond and (iii) 10% of the initial principal amount of the Borrower Bond.

“Borrower’s Allocable Proportion” or “Allocable Proportion” has the meaning assigned thereto in Section 5.01 of this Loan Agreement.

“Business Day” means any day other than a Saturday or Sunday or any other day on which banks in New York, Alaska or the state in which the Trustee performs duties under or in connection with the 2016 Master Resolution or any Security Document.

“Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

[“Collateral” means the Borrower’s Gross Receivables and _____].

“Days Cash On Hand” means as of any date, the amount derived by dividing (1) Unrestricted Cash and Investments by (2) Days of Operating Expenses.

“Days of Operating Expenses” means operating expenses, excluding depreciation and amortization, extraordinary, nonrecurring expenses, non-cash items such as unrealized gains or losses and expenses resulting from a refunding transaction and costs of issuance related thereto, divided by the number of days in the applicable period.

“Debt Service” means aggregate amount required to pay the principal of, premium if any and interest on the Borrower Bond [and any Parity Obligations] payable during a specified time.

“Debt Service Coverage Ratio” means for any specified period the ratio achieved by dividing Net Revenues by Debt Service payable or for which deposits are required to be made for such period.

“Debt Service Subaccount” has the meaning assigned thereto in Section 602 of the Master Resolution.

“Deposit Account” means each deposit, brokerage or similar account containing Gross Receivables.

“Deposit Account Control Agreement” or “Depository Agreement” means the Deposit Account Control Agreement, dated ____ __, 20__ among the Borrower, the Trustee and the Depository.

“Deposit Day” has the meaning assigned thereto in Section 4.02(c) of this Loan Agreement.

“Depository” means [Name of Bank] and its successors and any assigns not objected to by the Authority.

“Fiscal Year” means a 12-month period ending September 30, unless the Borrower notifies the Authority and the Trustee that the Borrower has adopted a different 12-month period as its fiscal year.

“Gross Receivables” means all of the revenues and all accounts, chattel paper, instruments and general intangibles (all as defined in AS 45.29) of the Borrower as are now in existence or as may be hereafter acquired and the proceeds thereof; excluding, however, all Borrower Restricted Funds.

“Indebtedness” means (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations as lessee under leases that are or should be or should have been, reported as capital leases in accordance with GAAP; (c) all obligations arising under any acceptance facility; (d) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or otherwise to assure a creditor against loss; (e) obligations secured by any liens on property owned by such person, whether or not the obligations have been assumed; (f) all other items or obligations that would be included in determining total liabilities on the balance sheet of a person if the payment of such obligations is secured by a pledge or assignment of or a lien on or security interest in Gross Receivables or Net Revenues; and (g) contingent liabilities under any hedge agreement to which it is a party; provided, however, that “Indebtedness” shall not include (i) trade payables and similar obligations and obligations secured exclusively by purchase money security interests which are incurred in the ordinary course of business and are not past due, (ii) both the indebtedness directly incurred and any corresponding indirect guaranty of the same indebtedness, (iii) planned giving actuarial liabilities as reflected in the financial statements of such person to the extent they are offset by planned giving investments, or (iv) indebtedness secured on a basis junior and subordinate to the Bonds.

“Loan Obligations” has the meaning set forth in Subsection 3.02(b).

“Master Resolution” or “2016 Master Resolution” means the Authority’s 2016 Master Bond Resolution, Resolution No. 2016-03 adopted by the Board on May 5, 2016.

“Net Revenues” means Gross Receivables, less operating expenses, excluding depreciation and amortization; interest expense; extraordinary, nonrecurring expenses; non-cash items such as unrealized gains and losses and expenses resulting from a refunding transaction and costs of issuance related thereto.

“Parity Obligations” means the Borrower Bond and any additional bond or other indebtedness payable and secured on a parity with the Borrower Bond and issued in accordance with the provisions of Article IV and with the prior written consent of the Authority.

“Permitted Liens” has the meaning assigned thereto in the Security Agreement [and Deed of Trust].

“Project” means _____.

“Regional Health Organization” means an organization defined in AS 18.28.100, currently, a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles.

“Reserve Fund Credit Facility” has the meaning assigned thereto in the 2016 Master Resolution.

“Restricted Borrower Funds” means Gross Receivables and gifts, grants, devises, bequests and contributions of any and all types (i) designated by the maker to a specific purpose inconsistent with their use or (ii) unavailable under applicable law, in either case to pay debt service on Indebtedness.

“Security Documents” means the Depository Agreement and _____.

“Series _____ Bonds” means the Alaska Municipal Bond Bank Authority General Obligation Bonds, Series _____.

“Series Resolution” means the Authority’s Resolution No. 20__-__ adopted by the Board on _____, _____.

“Unrestricted Cash and Investments” means the sum of the following unrestricted items: cash, cash equivalents, marketable securities and liquid investments but excluding in each case, Trustee-held funds, debt service funds, debt service reserve funds and pension and retirement funds.

Part II

Rules of Construction and Interpretation

Words of the masculine gender are deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and *vice versa* unless the context indicates otherwise. Reference to sections and to other subdivisions are references to sections and subdivisions in this Loan Agreement unless the

stated otherwise. The headings and titles of articles and sections and the table of contents are for convenience of reference only and do not define or limit the provisions hereof.

EXHIBIT C

FORM OF BORROWER'S CONTINUING DISCLOSURE AGREEMENT

Alaska Municipal Bond Bank Authority General Obligation Bonds, Series [_____]

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the [Name of Borrower] (the "Borrower") in connection with the issuance by the Alaska Municipal Bond Bank Authority (the "Authority") of the bonds described above (the "Bonds"). The Bonds are being issued pursuant to the Authority's 2016 Master Bond Resolution (the "2016 Master Resolution"), adopted by the Board of Directors (the "Board") of the Authority on May 5, 2016, as supplemented by a Series Resolution, adopted by the Board of the Authority on _____, 20__ (the "[_____] Series Resolution" and together with the 2016 Master Resolution, the "Resolutions"). A portion of the proceeds of the Bonds are being loaned to the Borrower by the Authority pursuant to a Loan Agreement, dated as of _____, 20__, between the Authority and the Borrower (the "Loan Agreement"). As required by the Loan Agreement, the Borrower is entering into this Disclosure Agreement and covenants and agrees as follows:

The Borrower covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement; No Authority Responsibility. This Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5). The Borrower acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Disclosure Agreement and has no liability of any kind to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Borrower, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Borrower a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond is registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 20__, relating to the Bonds.

“Participating Underwriter” shall mean [_____], the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to, not later than 210 days after the end of the Borrower’s fiscal year, commencing with the report for the fiscal year ending [September 30], 20__ (which is due not later than _____), provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4; provided, that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower’s fiscal year changes, it shall give notice of such change in a filing with the MSRB in the same manner as for a Listed Event. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection 3(a), the Borrower shall provide the Annual Report to the Dissemination Agent (if other than the Borrower). If the Borrower is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Borrower shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Borrower) file a report with the Borrower certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Borrower’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the Borrower for the preceding fiscal year, prepared in accordance with generally accepted accounting principles from time to time. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the Borrower, the Annual Report also shall include historical operating data and financial information for the prior fiscal year of the type included in Appendix ___ of the Official Statement under the heading "NAME OF THE BORROWER."

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Borrower, or related public entities, which have been made available to the public on the MSRB's website. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Borrower determines would be material under applicable federal securities laws, the Borrower shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Series Resolution.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Borrower.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Agreement; provided, that any such action may be instituted only in _____ Court of the State of Alaska in and for the _____ of _____ or in U.S. District Court in or nearest to the _____. The sole remedy under this Disclosure Agreement in the event of any failure of the Borrower to comply with this Disclosure Agreement shall be an action to compel performance, and a failure under this Disclosure Agreement shall not be a default or Event of Default under the Loan Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, if any, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____.

[NAME OF BORROWER]

By _____
Authorized Borrower Representative

CONTINUING DISCLOSURE EXHIBIT A

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Borrower: [NAME OF BORROWER]

Name of Bond Issue: [NAME OF BORROWER]
[Name of Bond Issue]

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Agreement of the Borrower, dated the Date of Issuance. [The Borrower anticipates that the Annual Report will be filed by _____.]

Dated: _____

[NAME OF BORROWER]

By _____ [to be signed only if filed]

4/27/16

Loan Agreement

between

Alaska Municipal Bond Bank Authority

and

Dena' Nena' Henash DBA Tanana Chiefs Conference

[Date of Sale], 2016

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND RULES OF INTERPRETATION AND CONSTRUCTION

Section 1.01. Definitions.....	2
Section 1.02. Rules of Interpretation and Construction.....	2

ARTICLE II REPRESENTATIONS OF THE BORROWER

Section 2.01. Representations	2
Section 2.02. Survival of Representations	3

ARTICLE III ISSUANCE OF THE SERIES 2016A BONDS AND THE BORROWER BOND

Section 3.01. Agreement to Issue the Series 2016A Bonds.....	3
Section 3.02. Agreement to Issue the Borrower Bond.....	4

ARTICLE IV SECURITY AND SOURCES OF PAYMENT FOR BORROWER LOAN PAYMENTS AND FOR THE BORROWER BOND

Section 4.01. Security and Sources of Payment	4
Section 4.02. Borrower Loan Payments	5
Section 4.03. Borrower Reserve Account.....	6
Section 4.04. Additional Financial Covenants.....	6
Section 4.05. Refundings	7
Section 4.06. Redemptions and Sales; Defeasance.....	8

ARTICLE V ADDITIONAL COVENANTS AND AGREEMENTS

Section 5.01. Fees and Charges	9
Section 5.02. Closing Conditions.....	9
Section 5.03. Reports and Invoices.....	10
Section 5.04. Tax Covenants	11
Section 5.05. Events of Default	11

ARTICLE VI MISCELLANEOUS

Section 6.01. Severability	12
Section 6.02. Counterparts.....	12
Section 6.03. Waivers; Mergers etc	13
Section 6.04. Governing Law	13

Exhibit A – Terms of the Borrower Revenue Bond

Exhibit B – Definitions

Exhibit C – Form of Continuing Disclosure Agreement

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ___ day of _____ 2016, between the ALASKA MUNICIPAL BOND BANK AUTHORITY (the "Authority"), a public corporation and an instrumentality of the State of Alaska (the "State") created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes (as amended from time to time, the "Act"), and the DENA' NENA' HENASH DBA TANANA CHIEFS CONFERENCE, an Alaska nonprofit corporation (the "Borrower"):

WITNESSETH:

WHEREAS, pursuant to the Act, the Authority is authorized to make loans of money (the "Loan" or "Loans") to regional health organizations to finance up to 49 percent of the costs of regional health projects; and

WHEREAS, as required by the Act, the Borrower is a regional health organization as defined in Chapter 28, Title 18, Alaska Statutes and pursuant to the Act is authorized to accept a Loan from the Authority and to evidence and secure its obligation to repay the Loan as provided in this Loan Agreement; and

WHEREAS, the Borrower desires to borrow money from the Authority in an amount not to exceed \$50,000,000 to prepay, together with funds contributed by the Borrower, the remaining portion of an outstanding loan made to the Borrower by the City of Koyukuk, Alaska (the "2011 Loan") and has submitted an application to the Authority for a Loan in an amount not to exceed \$50,000,000; and

WHEREAS, prior to or simultaneously with the prepayment of the 2011 Loan, the Borrower will prepay the remaining portion of a loan (the "2008 Loan") made in 2008 by Alaska Pacific Bank, now Northrim Bank, and the Alaska Industrial Development and Export Authority;

WHEREAS, as required by the Act and confirmed by information provided by the Borrower, the amount of the Loan to be made by the Authority to the Borrower is not more than 49 percent of the total cost of the project financed in part with proceeds of the 2011 Loan and the 2008 Loan; and

WHEREAS, to evidence and to secure its payment obligations under this Loan Agreement, the Borrower is issuing its secured promissory note to the Authority in the aggregate principal amount of [\$50,000,000], which promissory note (the "Borrower Bond") in accordance with this Loan Agreement is to be purchased by the Authority as evidence of the Loan and as security for the payment by the Authority of a portion of the Authority's Series 2016A Bonds described below; and

WHEREAS, the Borrower's application to the Authority contains the information requested by the Authority; and

WHEREAS, to provide for the issuance of bonds of the Authority to obtain from time to time money with which to make Loans to borrowers, including regional health organizations, on May 5, 2016 the Board of Directors of the Authority (the "Board") adopted Resolution No.

2016-03 (the “2016 Master Resolution”), and to authorize the issuance by the Authority of its Series 2016A Bonds and the making of a Loan to the Borrower and the purchase by the Authority of the Borrower Bond, on May 5, 2016 the Board adopted Series Resolution No. 2016-04 (together with the 2016 Master Resolution, the “Bond Resolution”);

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Definitions and Rules of Interpretation and Construction

Section 1.01. Definitions. In addition to the words and terms defined elsewhere in this Loan Agreement, capitalized terms used herein shall have the meanings assigned thereto in Exhibit B of this Loan Agreement, unless the context or use clearly indicates another or different meaning or intent, and any other words and terms used herein shall have the meanings assigned thereto in the Bond Resolution.

Section 1.02. Rules of Interpretation and Construction. Unless the context clearly indicates to the contrary, the rules of interpretation and construction set forth in Part II of Exhibit B shall apply to the interpretation and construction of this Agreement.

ARTICLE II

Representations of the Borrower

Section 2.01. Representations. The Borrower represents to the Authority that:

(a) The Borrower is a nonprofit corporation duly organized and existing under the laws of the State of Alaska and is a regional health organization as defined in Alaska Statutes (“AS”) 18.28.100;

(b) The Borrower (i) is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”); (ii) is exempt from federal income taxation under Section 501(a) of the Code, except for taxes imposed on unrelated business income (other than income related to the Project) pursuant to Section 511 of the Code and is an organization described in Section 170(b)(1)(A) of the Code; (iii) is not a “private foundation” as defined by Section 509(a) of the Code; (iv) has not received any notice from the Internal Revenue Service that the Borrower’s returns are being audited or that its status as an organization described in Section 501(c)(3) of the Code is being investigated or challenged; and (v) is in compliance with its status described in this subsection 2.01(b);

(c) The Borrower has the legal power and authority to enter into and to perform its obligations under this Loan Agreement and under the Borrower Bond and the other Borrower Documents and has duly authorized the execution and delivery of, and the performance by the Borrower of its obligations under, this Loan Agreement, the Borrower Bond and the other Borrower Documents;

(d) The execution and delivery by the Borrower of this Loan Agreement, the Borrower Bond and each of the other Borrower Documents and the performance by the Borrower of its

obligations hereunder and thereunder (i) do not violate any laws, regulations or court orders or decrees that apply to the Borrower and would have a material adverse impact on the Borrower or on its operations or financial position or any provision of the Borrower's articles of incorporation or bylaws; (ii) do not violate, breach or result in a default or event of default under any document, covenant or agreement by the Borrower relating to any agreement or indebtedness that will be in effect or outstanding as of the time the Borrower Bond is issued, including any grant or funding agreement to which the Borrower is a party or a beneficiary that would have a material adverse impact on the Borrower;

(e) When issued, the Borrower Bond will be the Borrower's only outstanding Indebtedness secured as provided in Section 4.01;

(f) No action, suit, proceeding, inquiry or investigation at law, or in equity, or before or by any court, public board or body is pending or, to the best knowledge of the Borrower after due investigation is threatened, against or affecting the Borrower, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Loan Agreement, the Borrower Bond or any of the other Borrower Documents or the first priority of the liens created by the Security Documents or the Borrower's ability to perform its obligations thereunder or under any of the other Borrower Documents or the exclusion from gross income for federal income tax purposes of interest on the Borrower Bond or the Series 2016A Bonds;

(g) No further authorizations, consents or approvals of any governmental or Borrower body, board or agency are required in connection with the execution and delivery by the Borrower of this Loan Agreement or any other Borrower Document, the issuance of the Borrower Bond or the performance by the Borrower of its obligations thereunder, and each of the applicable authorizations, consents and approvals heretofore obtained is in full force and effect and has not been amended, revoked or superseded; and

(h) Prior to or simultaneously with the issuance and delivery of the Borrower Bond, the 2011 Loan and the 2008 Loan will have been paid in full, and the only claims or liens on or against the Project and other assets of the Borrower will be the first-priority security interest and lien created by the [Indenture/Security Agreement and the Deed of Trust] and other Permitted Liens.

Section 2.02. Survival of Representations. Each of the representations above shall survive the execution and delivery of this Loan Agreement.

ARTICLE III

Issuance of the Series 2016A Bonds and the Borrower Bond

Section 3.01. Agreement to Issue the Series 2016A Bonds. To provide moneys to make the Loan to the Borrower, the Authority agrees that it will issue its Series 2016A Bonds under the Bond Resolution and will cause the proceeds of such Bonds to be applied, together with funds deposited by the Borrower (i) to finance the prepayment by the Borrower of all of the Borrower's 2011 Loan by effecting the defeasance of the outstanding 2011 Bonds and/or by paying the purchase price of 2011 Bonds tendered or deemed tendered for purchase; (ii) to make a deposit to the Reserve Fund created under the Bond Resolution and to the Borrower's Reserve

Account to be held by the Trustee; (iii) to pay costs of providing for the prepayment of the 2011 Loan and defeasance and/or purchase of the 2011 Bonds; and (iv) to pay a portion of the costs of issuing the Series 2016A Bonds and costs of issuing the Borrower Bond.

Section 3.02. Agreement to Issue the Borrower Bond. (a) The Borrower hereby accepts the Loan from the Authority in the principal amount of [\$50,000,000] and as evidence of the Loan made to the Borrower and such money borrowed from the Authority by the Borrower, and to secure the repayment thereof together with interest thereon, the Borrower hereby executes and delivers to the Trustee the Security Documents and to the Authority this Loan Agreement and the Borrower Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement representing interest due on its Borrower Bond (the “Borrower Bond Interest Payments”) shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Authority to obtain the money with which to make the Loan and to purchase the Borrower Bond (the “Loan Obligations”). Amounts to be paid by the Borrower pursuant to this Loan Agreement representing principal due on the Borrower’s Borrower Bond (as further defined below, the “Borrower Bond Principal Payments”), together with the Borrower Bond Interest Payments, shall be paid by the Borrower in monthly installments as set forth in Article IV to provide, at least seven days before the payment dates set forth in the Borrower Bond, funds sufficient to pay the principal of the Loan Obligations, plus the interest thereon, as the same become due and payable.

(c) Payments made by the Borrower to or for the account of the Authority in accordance with the Borrower Bond shall be credited against the comparable payments required to be made by the Borrower under this Loan Agreement.

(d) The Borrower also agrees to pay the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense, if any and the portion of any Reserve Fund Credit Facility Reimbursement Obligation attributed to the Borrower, at the times and in the amounts required pursuant to Sections 4.01 and 4.02 of this Loan Agreement.

ARTICLE IV

Security and Sources of Payment for Borrower Loan Payments and for the Borrower Bond

Section 4.01. Security and Sources of Payment. (a) The Borrower’s obligation to repay the Loan is an absolute and unconditional general obligation of the Borrower, and the Borrower hereby pledges its full faith and credit (excluding only the Restricted Borrower Funds) to the repayment of the Loan and to the payment of the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense, if any, and the portion of any Reserve Fund Credit Facility Reimbursement Obligation attributed to the Borrower. The Borrower shall pay, and shall make deposits for the payment of, such Borrower Payments, including such Allocable Portion and such Reimbursement Obligation, if any, before any other costs and expenses are paid.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement representing Borrower Payments shall be payable from, and secured by the Borrower's pledge and assignment of, and the Borrower hereby pledges and assigns and grants a first-priority security interest in and lien on (i) the Borrower's Health Care Revenues and General Revenues and in the case of Health Care Revenues, all moneys and securities credited to the account maintained by the Depository and received and receivable for deposit therein; and (ii) amounts on deposit with the Trustee in the Borrower Debt Service Subaccount and in the Borrower Reserve Account and any investment income thereon.

(c) As evidence of the Borrower's obligation to repay the Loan and to make Borrower Payments and as security for the repayment and payment thereof, the Borrower is executing and delivering to the Depository as collateral agent on behalf of the Trustee, for the account and benefit of the Authority, the Borrower Bond and the Security Documents, including without limitation the Security Agreement and the Deed of Trust. The Borrower confirms that the security agreements and deeds of trust in connection with the Borrower's 2011 Loan and 2008 Loan and the financing statements in connection therewith terminated prior to or simultaneously with the issuance of the Series 2016A Bonds and consents to the Authority's assignment to the Trustee of its rights under the Security Documents and hereunder and consents to the filing of financing statements naming the Trustee as secured party and the Borrower as debtor.

(d) The Borrower hereby pledges and assigns to and grants to the Authority a first priority security interest in and lien on (1) the Health Care Revenues and (2) the General Revenues, excluding in each case Restricted Borrower Funds; and (3) all funds and accounts and other collateral held by or for the Trustee and/or described or incorporated in the Security Agreement or the Deeds of Trust.

(e) To perfect the security interest of the Trustee in the Health Care Revenues, the Borrower agrees to enter into a Deposit Account Control Agreement with KeyBank National Association, as Depository, and the Trustee and to deposit or cause to be deposited with the Depository upon receipt all Health Care Revenues.

Section 4.02. Borrower Loan Payments. (a) The Borrower agrees with the Authority that:

(1) each day the Borrower shall deposit or to cause to be deposited to the Health Care Revenue Account held by the Depository for the benefit of the Trustee, in accordance with the Security Agreement and the Deposit Account Control Agreement, all of the Borrower's Health Care Revenues; and

(2) before any other withdrawal is made, the Depository shall withdraw from the Health Care Revenues Account from Health Care Revenues and if required, the Borrower shall withdraw from General Revenues (other than, in each case, Restricted Borrower Funds) and transfer to the Trustee for deposit to the Borrower Debt Service Subaccount held by the Trustee under the Bond Resolution, an amount sufficient to fund on or before the [20th] day of each month (with adjustments before the first interest payment date if the first interest payment date is not six months after the date the Series 2016 Bonds are issued and the Borrower Bond is

delivered and in the case of the deposits of principal required below in clause (B) beginning on the [20th] day 12 months before the first principal payment date));

(A) one-sixth (1/6) of the amount of interest that will be due and payable on the Borrower Bond on the next interest payment date;

(B) one-twelfth (1/12) of the amount of principal due (whether at maturity or in the case of term bonds, by reason of mandatory sinking fund redemption payments), as specified in the maturity schedule appended hereto as Exhibit A, on the next principal payment or redemption date (the "Borrower Bond Principal Payments");

(C) the Borrower's Allocable Proportion of Authority Reserve Interest Expense for that month if applicable and/or the portion of any Credit Facility Reimbursement Obligation and/or Reserve Fund Credit Facility Reimbursement Obligation attributed to the Borrower; and

(D) the amount, if any, required to make the balance in the Borrower reserve account held by the Trustee as provided in Section 4.03 (the "Borrower Reserve Account") equal to the reserve requirement required to be maintained by the Borrower pursuant to Section 4.03; plus (4) any additional amount required to be paid by the Borrower so that at least seven (7) Business Days before the Series 2016A Interest Payment Date, Borrower funds held by the Trustee in the debt service account are sufficient to pay when due the principal of and interest on the Loan Obligations.

(3) After the deposits and transfers to the Trustee, the amount remaining in the Health Care Revenue Account may, at the direction of the Borrower, be transferred to the Borrower.

(b) The Borrower also agrees to make all of the payments required pursuant to Section 5.01.

(c) The Borrower further agrees that if the payments required to be made pursuant to this Loan Agreement are not made available by the times specified herein, the Authority, to the extent permitted by law and by the terms of the applicable grants, may notify the appropriate officer of each agency that provides or administers grants to the Borrower and seek to intercept funds under such grants and to the extent intercepted, such grant funds shall be applied first to the payment of Borrower Payments then due.

Section 4.03. Borrower Reserve Account. The Borrower hereby agrees that it shall deposit with the Trustee, at the time of Loan funding, the Borrower's debt service reserve requirement in an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125 percent of average annual debt service on the Borrower Bond and (iii) 10 percent of the initial principal amount of the Borrower Bond, to secure payment of principal and interest on its Borrower Bond; that such reserve deposit shall be held by the Trustee in the name of the Borrower in a separate reserve account; [and that the yield on the amount held in the reserve account shall be restricted to a yield not in excess of _____ percent].

Section 4.04. Additional Financial Covenants. (A) The Borrower covenants with the Authority that the Borrower will maintain at least 50 Days Cash on Hand to be tested and reported to the Authority on a semiannual basis as of each March 31st and September 30,th

commencing September 30, 2016. In the event Cash on Hand is less than 50 Days Cash on Hand on a March 31 or September 30, the Borrower shall retain an independent consultant to make recommendations to the Borrower regarding improvement of the Borrower's liquidity position and shall use its best efforts to follow and implement the recommendations of the independent consultant.

(B) The Borrower also shall maintain a Debt Service Coverage Ratio of at least 1.25 to 1.0, tested annually as of the end of each Fiscal Year and reported to the Authority no later than 90 days after the end of such Fiscal Year. The Borrower agrees that if the Borrower's Debt Service Coverage Ratio is less than 1.25, the Borrower will retain an independent consultant (which may be the same consultant retained pursuant to Subsection 4.04(A)) to make recommendations regarding improvement of the Borrower's Debt Service Coverage Ratio.

(C) The Borrower agrees it will issue or incur no Indebtedness that is payable from, or secured by a claim to or a pledge of or lien on, Health Care Revenues or General Revenues that is prior to the claim, pledge and lien of the Borrower Bond and will not issue any Indebtedness the maturity or payment of which can be accelerated if the Borrower Bond has not been accelerated.

(D) The Borrower also agrees that it will issue Parity Obligations only (1) after 45 days' prior written notice is delivered to the Authority, together with a certificate confirming to the Authority that for the most recent 12-month period for which audited financial statements are available and taking into account maximum annual debt service on all then outstanding Parity Obligations, including the Borrower Bond, and the Parity Obligations then to be issued, the Borrower's Debt Service Coverage for such 12-month period was not less than 1.35; and (2) with the prior written consent of the Authority, which consent shall not be unreasonably withheld or delayed.

Section 4.05. Refundings. If Loan Obligations have been refunded and the interest expense the Authority will be required to incur on its refunding bonds in any year is less than the interest expense to be incurred by the Borrower on the Borrower Bond for the corresponding year pursuant to the terms of the Borrower Bond, then both the Borrower Bond Interest Payments and the Borrower Bond Principal Payments and the monthly deposits therefor will be adjusted in such a manner that (i) the interest expense to be incurred by the Borrower on any principal installment of the Borrower Bond is equal to the interest expense to be incurred by the Authority on the corresponding principal installment of the Authority's refunding bonds and (ii) on a present value basis the sum of the adjusted Borrower Bond Interest Payments and Borrower Bond Principal Payments is equal to or less than the sum of the Borrower Bond Interest Payments and Borrower Bond Principal Payments due over the remaining term of the Borrower Bond as previously established under this Loan Agreement. In the event of such a refunding of Loan Obligations, the Authority shall present to the Borrower for the Borrower's approval, a revised schedule of principal installment amounts and interest for the Borrower Bond. If approved by the Borrower the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates and monthly deposits.

Section 4.06. Redemptions and Sales; Defeasance. (A) The Authority shall not sell and the Borrower shall not redeem prior to maturity any portion of the Borrower Bond in an amount greater than the Loan Obligations that are then outstanding and that are then redeemable and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Borrower Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Borrower Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Borrower Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Authority in effecting the redemption of the Borrower Bond (or portion thereof) to be redeemed. Unless the Authority agrees to a shorter period, the Borrower shall give the Authority at least 50 days' notice of intention to redeem its Borrower Bond.

If the Loan Obligations with respect to which the sale or redemption prior to maturity of such Borrower Bond is being made have been refunded and the refunding bonds of the Authority issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Borrower Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

If the Loan Obligations have been refunded and the interest the Authority is required to pay on the refunding bonds is less than the interest the Authority was required to pay on the Loan Obligations, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

If the Loan Obligations have been refunded, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (iii) above, when the refunded Loan Obligations are to be redeemed, shall be the applicable premium, if any, on the Loan Obligations to be redeemed.

(B) Nothing in Section 4.05 or in this Section 4.06 shall be construed as preventing the Borrower from refunding the Borrower Bond in exchange for a new Borrower Bond in conjunction with a refunding of the Loan Obligations. The Borrower also may provide for the payment of and may defease its Borrower Bond (1) by giving at least 50 days' notice to an Authorized Officer (unless the Authorized Officer consents to a shorter period); (2) by delivering to the Trustee moneys in an amount or noncallable Government Obligations, the principal of and interest on which when due will, together with such moneys, in the written opinion of an independent certified public accountant or independent consulting firm delivered to the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Loan Obligations when due to the stated date fixed for redemption or to each maturity date as set forth in such opinion; and (3) unless waived by the Authority, by delivering to the Authority a written Counsel Opinion to the effect that such defeasance will not in and of itself cause the interest on the Borrower Bond or on the Series 2016A Bonds to be included in gross income for federal income tax purposes.

ARTICLE V
Additional Covenants and Agreements

Section 5.01. Fees and Charges. The Borrower is obligated to pay to the Authority Fees and Charges within 30 days after receiving an invoice from the Authority therefor. Such Fees and Charges actually collected from the Borrower shall be in an amount sufficient, together with the Borrower's Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Account pursuant to Section 606 of the 2016 Master Resolution:

(a) to pay, as the same become due, the Borrower's Allocable Proportion of the Administrative Expenses of the Authority; and

(b) to pay, as the same become due, the Borrower's Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The Borrower's Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the Borrower Bond outstanding bears to the total of all Loans then outstanding to all Borrowers under the 2016 Master Resolution, as certified by the Authority. The waiver by the Authority of any fees payable pursuant to this Section 5.01 shall not constitute a subsequent waiver thereof.

Section 5.02. Closing Conditions. (a) Simultaneously with the delivery of the Borrower Bond to the Authority, the Borrower shall furnish to the Authority and the Trustee each of the Security Documents, together with evidence satisfactory to the Authority that sets forth, among other things, that the security agreements, deeds of trust and financing statements executed and filed in connection the 2008 Loan and the 2011 Loan have been terminated; that the Borrower Bond constitutes a valid and binding obligation of the Borrower secured by the Borrower's pledge and assignment of and first-priority lien and security interest granted in and on the security and sources of payment made and provided for in Article IV; that the Borrower Bond is the Borrower's only outstanding Indebtedness that is a Parity Obligation; and that the Borrower has no outstanding Indebtedness the payment of which is secured by a lien, pledge or assignment that is prior to the lien, pledge and assignment that secures payment of the Borrower Bond.

(b) Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the Borrower Bond to the Authority or its designee, the Authority shall have the right to cancel all or any part of its obligations hereunder if it determines that:

(1) Any representation or other statement made by the Borrower to the Authority in connection with its application to the Authority for a Loan shall be incorrect or incomplete in any material respect.

(2) The Borrower has violated commitments made by it in the terms of this Loan Agreement.

(3) The financial position of the Borrower has, in the opinion of the Authority, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Borrower Bond to the Authority.

(c) The obligation of the Authority under this Loan Agreement is contingent upon delivery of Series 2016A Bonds, and receipt of the proceeds thereof and the deposit by the Borrower with the Trustee for credit to the Borrower Reserve Account of an amount equal to the reserve requirement required in Section 4.03.

Section 5.03. Reports and Invoices. (a) Invoices for payments under this Loan Agreement shall be addressed to the Borrower, 122 1st Avenue, Suite 600, Fairbanks, Alaska 99701; Attention: Ben Shilling. The Borrower shall give the Authority and the corporate trust office of the Trustee under the Bond Resolution at least 30 days' written notice of any change in such address.

(b) The Borrower agrees to keep and retain, until the date six years after the retirement of the Borrower Bond, or any bond issued to refund the Borrower Bond, or such longer period as may be required by the Borrower's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Borrower Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The Borrower agrees that all records required by the preceding sentence shall be made available to the Authority upon request.

(c) The Borrower agrees that it will provide the Authority with written notice of any default in any covenant under any operating agreement and of any default by a party and of any nonpayment by an operator, within thirty (30) days after the date of such default or nonpayment.

(d) The Borrower agrees that it shall enter into a Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit C, and shall file the Annual Report, notices and annual financial statements with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the Borrower so long as the Borrower Bond and the allocable portion of the Series 2016A Bonds are outstanding. The Borrower further agrees that filings thereunder shall be made in connection with [CUSIP Nos. 01179P, 011798 and 01179R and ____]. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Authority to the Borrower. The Borrower agrees that if it receives from the Authority CUSIP number(s) in addition to those set forth in this Subsection then the Borrower shall make its filings using the CUSIP numbers herein stated and any additional CUSIP number(s).

(e) The Borrower also agrees that upon request of the Authority, if the Borrower's bonds constitute ten percent (10%) or more of the outstanding principal amount of bonds of all borrowers under the 2016 Master Resolution upon request, the Borrower will provide to the Authority for inclusion in future official statements operating data and financial operation generally of the type included in Appendix B of the Official Statement published in connection with the Series 2016A Bonds and otherwise as may be requested by the Authority, to enable the Authority and applicable borrowers to comply with then-applicable disclosure requirements.

Section 5.04. Tax Covenants. (a) The Borrower agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Borrower Bond to be included in gross income for federal income tax purposes under section 103 of the Code.

(b) The Borrower shall not permit any of the proceeds of the Borrower Bond, or any facilities financed or refinanced with such proceeds, to be used in any manner that would cause the Borrower Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code.

(c) The Borrower agrees that it shall not take, or omit to take, any action lawful and within its power to take that would, if taken or not taken, result in the Borrower’s ceasing to be a qualified 501(c)(3) organization.

(d) The Borrower shall make no use or investment of the proceeds of the Borrower Bond which will cause the Borrower Bond to be an “arbitrage bond” under Section 148 of the Code. So long as the Borrower Bond is outstanding, the Borrower, shall comply with all requirements of said Section 148 and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The Borrower shall indemnify and hold harmless the Authority from any obligation of the Borrower to make rebate payments to the United States under said Section 148 arising from the Borrower’s use or investment of the proceeds of the Borrower Bond.

Section 5.05. Events of Default. An Event of Default shall have occurred if:

(1) The Borrower shall fail to make any payment when due on the Borrower Bond or on any Parity Obligation;

(2) The Borrower shall fail to pay any Borrower Payment (other than a Borrower Payment referred to in clause (1) of this Section 5.05) or to make a required deposit to the Borrower Reserve Account

(3) An Event of Default under the Security Agreement or under either Deed of Trust occurs;

(4) Days Cash on Hand is less than 40 days for a Fiscal Year;

(5) The Borrower fails to observe any of its other covenants in Article IV;

(6) The Borrower fails to observe any other covenant (other than a covenant contained in subsection 5.03(d)) and if curable such failure continues for a period of 45 days (or 90 days if the default is curable but is not curable within 45 days and the Borrower has undertaken to cure such default) after written notice of such failure is given by the Authority or the Trustee; or

(7) Any Bankruptcy or Insolvency Event occurs.

Section 5.06. Remedies. (a) Upon the happening and continuance of any Event of Default specified in Section 5.05, the Authority may take any one or more of the following remedies:

(i) by mandamus or other suit, action or proceeding at law or in equity, enforce all of its rights under this Loan Agreement and require the Borrower to perform all of its obligations hereunder and under the Borrower Documents;

(ii) by bringing suit upon the Borrower Bond and/or this Loan Agreement or any of the other Borrower Documents and Security Agreements and/or direct the Depository or the Trustee to initiate and pursue such actions;

(iii) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the Authority; and

(iv) upon the occurrence of an Event of Default described in 5.05(1), 5.05(2) or 5.05(7) and unless the principal of the Borrower Bond has already become due and payable, by notice in writing to the Borrower, declare the principal of the Borrower Bond and the interest accrued thereon to be due and payable immediately or upon such other specified date and upon such declaration, the same shall become due and payable, anything in this Loan Agreement or in the Borrower Bond to the contrary notwithstanding.

(b) The remedy set forth in clause (iv) of subsection 5.06(a) is subject, however, to the condition that if at any time after the principal of the Borrower Bond has been declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Borrower pays to the Authority, or to the Trustee for the account of the Authority, an amount sufficient to pay all principal and interest on the Borrower Bond and all other Borrower Payments, together with interest on such overdue amounts at the applicable rates borne by the Borrower Bond, and/or by its Allocable Proportion of Authority Interest Expense or Reimbursement Obligation or both, as applicable, the Authority's reasonable expenses of enforcing its rights and any and all other defaults (other than payments of principal and interest due and payable solely by reason of such declaration) shall have been cured to the satisfaction of the Authority, then the Authority shall rescind and annul such declaration of acceleration and its consequences; provided, however that no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

ARTICLE VI Miscellaneous

Section 6.01. Severability. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

Section 6.02. Counterparts. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all

documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

Section 6.03. Waivers; Mergers etc. (a) No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

(b) This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

Section 6.04. Governing Law. This Loan Agreement and the obligations of the Authority and the Borrower shall be governing by the law of the State of Alaska.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

By: _____
DEVEN J. MITCHELL
Executive Director

DENA' NENA' HENASH DBA TANANA
CHIEFS CONFERENCE

By: _____

EXHIBIT A

\$ _____
Tanana Chiefs Conference
Promissory Note, 2016A
("Borrower Bond")

<u>Due</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

Principal installments shall be payable on October 1 in each of the years, and in the amounts set forth above. The Borrower Bond shall be dated _____, 2016. Interest on the Borrower Bond shall be payable on October 1, 2016, and thereafter on April 1 and October 1 of each year.

Prepayment Provisions: The Borrower Bond principal installments stated to mature on or before October 1, 2020 are not subject to prepayment prior to maturity.

Optional Prepayment: The Borrower Bond principal installments due on or after October 1, 2021 are subject to prepayment in whole or in part at the option of the Borrower on any date on or after October 1, 2020, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment.

EXHIBIT B

Part I

Definitions

“Act” means AS 44.85.005 through AS 44.85.420, as amended from time to time.

“Annual Debt Service” means the aggregate amount of the principal of, premium if any and interest on the Borrower Bond and any Parity Obligations payable during a Fiscal Year.

“Authority” means the Alaska Municipal Bond Bank Authority, a public corporation of the State and an instrumentality of the State within the Department of Revenue created pursuant to the provisions of the Act.

“Authority Reserve Fund Interest Expense” has the meaning assigned thereto in the Bond Resolution.

“Board” means the Board of Directors of the Authority.

“Bond Resolution” means the 2016 Master Resolution together with the Series Resolution.

“Borrower” means the Dena’ Nena’ Henash DBA Tanana Chiefs Conference, an Alaska nonprofit corporation.

“Borrower Bond” means the promissory note issued by the Borrower in the principal amount of [\$50,000,000] to evidence and secure its obligation to repay the Loan to the Borrower from the Authority.

“Borrower Bond Interest Payments” has the meaning set forth in Subsection 3.02(b)

“Borrower Bond Principal Payments” has the meaning set forth in Subsection 3.02, as further defined in Subsection 4.02(B)(2).

“Borrower Debt Service Subaccount” has the meaning set forth in the Series Resolution

“Borrower Documents” means this Loan Agreement, the Continuing Disclosure Agreement, the Depository Agreement, the Security Agreement, the Deed of Trust and the _____.

“Borrower Payments” or “Borrower Loan Payments” has the meaning set forth in the Master Resolution and includes without limitation Borrower Bond Interest Payments, Borrower Bond Principal Payments, the Borrower’s Allocable Portion of Authority Reserve Fund Interest Expense, if any, and any Reimbursement Obligation attributed to the Borrower.

“Borrower Reserve Account” has the meaning set forth in Subsection 4.02(a)(2)(C) of this Loan Agreement.

“Borrower Reserve Requirement” means an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125% of average annual debt service on the Borrower Bond and (iii) 10% of the initial principal amount of the Borrower Bond.

“Borrower’s Allocable Proportion” or “Allocable Proportion” has the meaning assigned thereto in Section 5.01 of this Loan Agreement.

“Business Day” means any day other than a Saturday or Sunday or any other day on which banks in New York, Alaska or the state in which the Trustee performs duties under or in connection with the 2016 Master Resolution or any Security Document.

“Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

“Days Cash On Hand” means as of any date, the amount derived by dividing (1) Unrestricted Cash and Investments by (2) Days of Operating Expenses.

“Days of Operating Expenses” means operating expenses, excluding depreciation and amortization, extraordinary, nonrecurring expenses, non-cash items such as unrealized gains or losses and expenses resulting from a refunding transaction and costs of issuance related thereto, divided by the number of days in the applicable period.

“Debt Service” means aggregate amount required to pay the principal of, premium if any and interest on the Borrower Bond and any Parity Obligations payable during a specified time.

“Debt Service Coverage Ratio” means for any specified period the ratio achieved by dividing Net Revenues by Debt Service payable or for which deposits are required to be made for such period.

“Debt Service Subaccount” has the meaning assigned thereto in Section 602 of the Master Resolution

“Deed of Trust” means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated _____, 2016, granted by the Borrower to [_____ for the benefit of] the Trustee.

“Deposit Account” means each deposit, brokerage or similar account containing Health Care Revenues.

“Deposit Account Control Agreement” or “Depository Agreement” means the Deposit Account Control Agreement, dated ____ __, 2016 among the Borrower, the Trustee and the Depository.

“Depository” means Key Bank National Association and its successors and any assigns not objected to by the Authority.

“Fiscal Year” means a 12-month period ending September 30, unless the Borrower notifies the Authority and the Trustee that the Borrower has adopted a different 12-month period as its fiscal year.

“General Revenues” means all fees, rates, receipts, rentals, licensing fees, royalties, charges, issues, revenues and income derived by the Borrower or its facilities or from other sources, including gifts, bequests, grants, contributions and any other money received from the Borrower’s operations or properties, insurance proceeds or condemnation awards (in each case, other than Restricted Funds).

“Health Care Revenues” means payments from Medicare, Medicaid and commercial third-party payors, including without limitation, insurance companies, private insurance and managed care plans.

“Hedge Agreement” means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap, credit default swap or any other similar transaction (including any option with respect to any of these transactions) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“Indebtedness” means (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations as lessee under leases which are or should be or should have been, reported as capital leases in accordance with GAAP; (c) all obligations arising under any acceptance facility; (d) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or otherwise to assure a creditor against loss; (e) obligations secured by any liens on property owned by such person, whether or not the obligations have been assumed; (f) all other items or obligations that would be included in determining total liabilities on the balance sheet of a person if the payment of such obligations is secured by a pledge or assignment of or a lien on or security interest in Revenues or Net Revenues; and (g) contingent liabilities under any Hedge Agreement to which it is a party; provided, however, that “Indebtedness” shall not include (i) trade payables and similar obligations and obligations secured exclusively by purchase money security interests which are incurred in the ordinary course of business and are not past due, (ii) both the indebtedness directly incurred and any corresponding indirect guaranty of the same indebtedness, (iii) planned giving actuarial liabilities as reflected in the financial statements of such person to the extent they are offset by planned giving investments, or (iv) indebtedness secured on a basis junior and subordinate to the Bonds.

“Loan Obligations” has the meaning set forth in Subsection 3.02(b).

“Master Resolution” or “2016 Master Resolution” means the Authority’s Resolution No. 2016-03 adopted by the Board on May 5, 2016.

“Net Revenues” means Revenues, less operating expenses, excluding depreciation and amortization; interest expense; extraordinary, nonrecurring expenses; non-cash items such as unrealized gains and losses and expenses resulting from a refunding transaction and costs of issuance related thereto.

“Parity Obligations” means the Borrower Bond and any additional bond or other indebtedness the payment of which is secured on a parity with the payment of the Borrower Bond and issued in accordance with the provisions of Article IV.

“Permitted Liens” has the meaning assigned thereto in the Security Agreement and Deeds of Trust.

“Project” means the facilities and equipment being refinanced in part with proceeds of the Borrower Bond.

“Regional Health Organization” means an organization defined in AS 18.28.100, currently, a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles.

“Reserve Fund Credit Facility” has the meaning assigned thereto in the 2016 Master Resolution.

“Restricted Borrower Funds” means Health Care Revenues and gifts, grants, devises, bequests and contributions of any and all types (i) designated by the maker to a specific purpose inconsistent with their use or (ii) unavailable under applicable law, in either case to pay debt service on Indebtedness.

“Revenues” means Health Care Revenues plus General Revenues, other than in each case Restricted Borrower Funds.

“Security Agreement” means the Security Agreement, dated as of _____, 2016, between the Borrower and [_____ for the benefit of the Trustee].

“Security Documents” means the Security Agreement, the Depository Agreement, the Deed of Trust and _____.

“Series 2016A Bonds” means the Alaska Municipal Bond Bank Authority [Revenue] Bonds, Series 2016A.

“Series Resolution” means the Authority’s Resolution No. 2016-04 adopted by the Board on May 5, 2016.

“2008 Loan” means the loan from the Alaska Industrial Development and Export Authority and Northrim Bank, the successor to Alaska Pacific Bank, the remaining portion of which was paid by the Borrower prior to or at the time the Series 2016A Bonds were issued.

“2011 Bonds” means the City of Koyukuk Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011.

“2011 Loan” means the outstanding loan made to the Borrower by the City of Koyukuk, Alaska from a portion of the proceeds of the City’s Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011, the outstanding portion of which was defeased and/or purchased with proceeds of the Borrower Loan and other available funds of the Borrower.

“Unrestricted Cash and Investments” means the sum of the following unrestricted items: cash, cash equivalents, marketable securities and liquid investments but excluding in each case, Trustee-held funds, debt service funds, debt service reserve funds and pension and retirement funds.

Part II

Rules of Construction and Interpretation

Words of the masculine gender are deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and *vice versa* unless the context indicates otherwise. Reference to sections and to other subdivisions are references to sections and subdivisions in this Loan Agreement unless stated otherwise. The headings and titles of articles and sections and the table of contents are for convenience of reference only and do not define or limit the provisions hereof.

EXHIBIT C

FORM OF BORROWER'S CONTINUING DISCLOSURE AGREEMENT

Alaska Municipal Bond Bank Authority General Obligation Bonds, Series 2016A

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Dena' Nena' Henash DBA Tanana Chiefs Conference (the "Borrower") in connection with the issuance by the Alaska Municipal Bond Bank Authority (the "Authority") of the bonds described above (the "Bonds"). The Bonds are being issued pursuant to the Authority's 2016 Master Bond Resolution, as supplemented by a Series Resolution (together, the "Resolutions"), each adopted by the Board of Directors (the "Board") of the Authority on May 5, 2016. A portion of the proceeds of the Bonds are being loaned to the Borrower by the Authority pursuant to a Loan Agreement, dated as of _____, 2016, between the Authority and the Borrower (the "Loan Agreement"). As required by the Loan Agreement, the Borrower is entering into this Disclosure Agreement and covenants and agrees as follows:

The Borrower covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement; No Authority Responsibility. This Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5). The Borrower acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Disclosure Agreement and has no liability of any kind to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Borrower, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Borrower a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond is registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 2016, relating to the Bonds.

“Participating Underwriter” shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to, not later than 210 days after the end of the Borrower’s fiscal year, commencing with the report for the fiscal year ending September 30, 2016 (which is due not later than April 28, 2017), provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4; provided, that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower’s fiscal year changes, it shall give notice of such change in a filing with the MSRB in the same manner as for a Listed Event. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection 3(a), the Borrower shall provide the Annual Report to the Dissemination Agent (if other than the Borrower). If the Borrower is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Borrower shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Borrower) file a report with the Borrower certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Borrower’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the Borrower for the preceding fiscal year, prepared in accordance with generally accepted accounting principles from time to time. If the Borrower’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a),

the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the Borrower, the Annual Report also shall include historical operating data and financial information for the prior fiscal year of the type included in Appendix B of the Official Statement.”

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Borrower, or related public entities, which have been made available to the public on the MSRB’s website. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in

possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Borrower determines would be material under applicable federal securities laws, the Borrower shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Series Resolution.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Borrower.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take

such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Agreement; provided, that any such action may be instituted only in _____ Court of the State of Alaska in and for the _____ of _____ or in U.S. District Court in or nearest to the _____. The sole remedy under this Disclosure Agreement in the event of any failure of the Borrower to comply with this Disclosure Agreement shall be an action to compel performance, and a failure under this Disclosure Agreement shall not be a default or Event of Default under the Loan Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, if any, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Notices. Any notices or communications to the Borrower under this Disclosure Agreement may be given to the Borrower as follows: Tanana Chiefs Conference, 122 1st Avenue, Suite 600, Fairbanks, Alaska 99701; Attention Ben Shilling, Deputy Financial Officer, Telephone: (907) 452-8251.

Date: _____.

DENA' NENA' HENASH DBA TENANA
CHIEFS CONFERENCE

By _____
Authorized Borrower Representative

CONTINUING DISCLOSURE EXHIBIT A

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Borrower: Dena' Nena' Henash DBA Tanana Chiefs Conference
Name of Bond Issue: Dena' Nena' Henash DBA Tanana Chiefs Conference
Alaska Municipal Bond Bank Authority General Obligation Bonds
Series 2016A

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Agreement of the Borrower, dated the Date of Issuance. [The Borrower anticipates that the Annual Report will be filed by _____.]

Dated: _____

[NAME OF BORROWER]

By _____ [to be signed only if filed]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016**NEW ISSUE
BOOK-ENTRY ONLY****FITCH RATING: ____
STANDARD & POOR'S RATING: ____
(See "Ratings" herein)**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2016A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the Series 2016A Bonds is exempt from taxation by the State except for transfer, inheritance and estate taxes. See "TAX MATTERS" herein.



\$ _____ *

**ALASKA MUNICIPAL BOND BANK AUTHORITY
MASTER RESOLUTION GENERAL OBLIGATION BONDS (2016 MASTER
RESOLUTION),
SERIES 2016A**

Dated: Date of Delivery**Due: October 1, as shown on inside cover**

The Alaska Municipal Bond Bank Authority (the "Authority") is issuing \$ _____ * aggregate principal amount of Master Resolution General Obligation Bonds, Series 2016A (the "Series 2016A Bonds") to make a loan to Dena' Nena' Henash dba Tanana Chiefs Conference (the "2016 Borrower" or "TCC") to (i) refinance a portion of the costs of constructing and equipping a healthcare clinic; (ii) to fund a deposit to the Authority's Reserve Fund [possible surety] and (iii) to pay a portion of the costs of issuing the Series 2016A Bonds and the 2016 Borrower's costs of issuing its Borrower Bonds. The Series 2016A Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the Series 2016A Bonds. Individual purchases of the Series 2016A Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity and interest rate. Purchasers of the Series 2016A Bonds will not receive certificates representing their beneficial ownership interests in the Series 2016A Bonds. Interest on the Series 2016A Bonds will accrue from the date of delivery of the Series 2016A Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each April 1 and October 1, commencing October 1, 2016.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the Series 2016A Bonds, will make principal and interest payments to DTC as the registered owner of the Series 2016A Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE SERIES 2016A BONDS" and "APPENDIX F – DTC AND BOOK-ENTRY SYSTEM."

The Series 2016A Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE SERIES 2016A BONDS – Optional Redemption."

The Series 2016A Bonds are the first series of Bonds to be issued under the Authority's Master Resolution No. 2016-03 (the "2016 Master Resolution"). The Series 2016A Bonds are Master Resolution general obligations of the Authority, payable solely from the sources provided in and pledged pursuant to the 2016 Master Resolution and the Series Resolution described herein. The full faith and credit of the Authority are pledged for the punctual payment of the principal of and interest on the Series 2016A Bonds, subject to agreements made or that may be made in the future under resolutions pledging particular revenues or assets not pledged under the 2016 Master Resolution. Payments to be made by the 2016 Borrower are the primary security for the repayment of the Series 2016A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Series 2016A Bonds do not constitute a debt or other liability of the State of Alaska, and the Series 2016A Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the Series 2016A Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the Series 2016A Bonds. The Authority has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016A BONDS."

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision

The Series 2016A Bonds are offered when, as and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Certain legal matters will be passed upon for the 2016 Borrower by its bond counsel. Certain legal matters will be passed upon for the Underwriter by K&L Gates LLP, Seattle, Washington. It is expected that the Series 2016A Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about June __, 2016.

BofA Merrill Lynch

* Preliminary, subject to change.

\$ _____ *

**Alaska Municipal Bond Bank Authority
General Obligation Bonds, Series 2016A**

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS
(Base CUSIP** No. _____)

<u>Due October 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP** No.</u>	<u>Due October 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP** No.</u>
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* Preliminary, subject to change.

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This Official Statement is furnished by the Authority to provide information regarding the sale of the Series 2016A Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The delivery of this Official Statement does not imply that information herein is correct as of any time subsequent to the date hereof. No dealer, broker, salesperson or any other person has been authorized by the Authority to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such an offer, solicitation, or sale.

The information and expressions of opinion set forth in this Official Statement have been furnished by the Authority and include information from other sources that the Authority believes to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the Authority since the date hereof. Neither this Official Statement nor any statement which may have been made orally is to be construed as a contract with the owners of any of the Series 2016A Bonds.

UPON ISSUANCE, THE SERIES 2016A BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE, OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE AUTHORITY, WILL HAVE PASSED ON THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2016A BONDS FOR SALE. THE 2016 MASTER RESOLUTION WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement do not reflect historical facts but are forecasts, projections, estimates or other “forward-looking statements.” The words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “forecast,” “assume” and similar expressions are intended to identify forward-looking statements. Such forecast, projections, estimates and other forward-looking statements are not intended as representations of fact or guarantees of results. Any such forward-looking statements are subject to variety of risks and uncertainties that cause actual results or performance to differ materially from those that have been forecasted, estimated or projected. These forward-looking statements speak only as of the date of this Official Statement. The delivery of this Official Statement does not impose upon the Authority or the 2016 Borrower any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority’s or the 2016 Borrower’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Juneau, Alaska 99811-0405

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Gregory Gursey - Vice Chair

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Chris Hladick - Member

(Michael Lamb - First Delegate to Chris Hladick)

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(Pamela Leary - First Delegate to Randall Hoffbeck)

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Bond Counsel

Orrick, Herrington & Sutcliffe LLP

Seattle, Washington

Trustee

The Bank of New York Mellon Trust Company, N.A.

San Francisco, California

Municipal Advisor

Western Financial Group, LLC

Portland, Oregon

* The Authority's website is not part of this Official Statement, and investors should not rely on information presented in the Authority's website in determining whether to purchase the Series 2016A Bonds. This inactive textual reference to the Authority's website is not a hyperlink and does not incorporate the Authority's website by reference.

Table of Contents

	Page	Page
INTRODUCTION.....	1	
General	1	
Alaska Municipal Bond Bank Authority	1	
The State of Alaska	2	
PURPOSE OF THE SERIES 2016A BONDS	2	
Authorization.....	2	
Purpose of the Series 2016A Bonds.....	3	
SOURCES AND USES TABLE	3	
DESCRIPTION OF THE SERIES 2016A BONDS.....	3	
General Description.....	3	
Series 2016A Bonds	3	
Optional Redemption	4	
Notice of Redemption	4	
Selection of Series 2016A Bonds for Redemption.....	4	
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	4	
General	4	
Pledge Effected by the 2016 Master Resolution....	5	
Borrower Bonds	5	
Reserve Fund.....	6	
Pledge and Agreement of the State	8	
THE ALASKA MUNICIPAL BOND BANK AUTHORITY	8	
Organization.....	8	
Board of Directors.....	9	
Management.....	10	
BONDS OUTSTANDING.....	10	
2005 Master Resolution	10	
2010 Municipal Obligation Bond Resolution.....	10	
Revenue Bond Resolutions	11	
Coastal Energy Impact Program	11	
Direct Loans	11	
Loans by the State of Alaska.....	12	
TOTAL AUTHORITY BONDS ISSUED AND OUTSTANDING.....	12	
REMAINING DEBT CAPACITY UNDER EXISTING BOND RESOLUTIONS AFTER THE ISSUANCE OF THE 2016 SERIES A BONDS	12	
Future Financing Plans.....	13	
Debt Payment Record	13	
THE 2016 BORROWER	13	
Tanana Chiefs Conference	13	
THE STATE OF ALASKA	14	
General	14	
State Government.....	14	
State Revenues	14	
Government Budgets and Appropriations	19	
Government Funds.....	21	
Public Debt and Other Obligations of the State..	23	
SUMMARY OF THE 2016 MASTER RESOLUTION	26	
		26
		26
		26
		27
		27
		27
		27
		28
		28
		29
		30
		30
		31
		31
		31
		32
		33
LITIGATION		35
CERTAIN LEGAL MATTERS.....		35
UNDERWRITING.....		35
MUNICIPAL ADVISOR.....		35
FINANCIAL STATEMENTS		35
TAX MATTERS		36
RATINGS		37
CONTINUING DISCLOSURE UNDERTAKING ..		38
Authority Continuing Disclosure Undertaking ..		38
Borrower Continuing Disclosure Undertakings..		38
Compliance with Prior Continuing Disclosure Undertakings.....		38
SOURCES OF CERTAIN INFORMATION.....		39
MISCELLANEOUS.....		39
PRELIMINARY OFFICIAL STATEMENT		39
OFFICIAL STATEMENT		40
APPENDIX A - Proposed Form of Opinion of Bond Counsel		
APPENDIX B - Information relating to Borrower		
APPENDIX C - Financial Statements of the Alaska Municipal Bond Bank Authority for the Year Ended June 30, 2015		
APPENDIX D - Copy of 2016 Master Resolution[and Series Resolution]		
APPENDIX E - Proposed Forms of Continuing Disclosure Certificate and 2016 Borrower Continuing Disclosure Agreements		
APPENDIX F - DTC and its Book-Entry System		

OFFICIAL STATEMENT

Relating to

\$ _____*

ALASKA MUNICIPAL BOND BANK AUTHORITY MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2016A

INTRODUCTION

General

This Official Statement is furnished by the Alaska Municipal Bond Bank Authority (the “Authority”) to provide information regarding the Authority and the sale of \$ _____* aggregate principal amount of the Authority’s Master Resolution General Obligation Bonds, Series 2016A (the “Series 2016A Bonds”). The Authority was created pursuant to Title 44, Chapter 85, as amended, of Alaska Statutes (the “Act”) for the primary purpose of lending money to eligible borrowers in the State of Alaska (the “State”) including purchasing bonds and promissory notes issued by such borrowers. Certain capitalized terms used in this Official Statement, and not otherwise defined herein, are defined in Appendix D – Series 2016 Master Resolution[and Series Resolution]. The Series 2016A Bonds are Master Resolution general obligations of the Authority, payable solely from the sources provided in and pledged pursuant to the 2016 Master Resolution and the Series Resolution described herein. The full faith and credit of the Authority are pledged for the punctual payment of the principal of and interest on the Series 2016A Bonds, subject to agreements made or that may be made in the future under resolutions pledging particular revenues or assets not pledged under the 2016 Master Resolution. Payments to be made by the 2016 Borrower are the primary security for the repayment of the Series 2016A Bonds. The Authority also maintains an Authority Reserve Fund as additional security for the repayment of the Series 2016A Bonds. The Authority is authorized under the Act to seek replenishments for the Authority Reserve Fund from the Alaska State Legislature as described below. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

All references herein to agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Series 2016A Bonds are further qualified by reference to the provisions with respect thereto contained in the 2016 Master Resolution (Resolution No. 2016-03), adopted by the Board of Directors (the “Board”) of the Authority on May 5, 2016 (the “2016 Master Resolution”), and Series Resolution No. 2016-04 adopted by the Board on May 5, 2016 (the “Series Resolution,” and together with the 2016 Master Resolution, the “Bond Resolution”). All bonds that are issued under and pursuant to the terms of the 2016 Master Resolution are hereafter referred to as the “Bonds.” Any statements or information that includes matters of opinion or estimates are represented as opinions or estimates in good faith, but no assurance can be given that the facts will materialize as so opined or estimated.

Alaska Municipal Bond Bank Authority

The Authority is a public corporation established and organized under the Department of Revenue in 1975 by the Act, initially to assist municipalities in the State by lending money and purchasing bonds (initially general obligations and now including revenue obligations and other debt instruments) issued by municipalities, in order to assist municipalities in accessing the financial markets. The Act has been modified from time to time providing authority to assist port authorities, electrical generation projects, hydro-electrical projects, port authorities, the Alaska Municipal League Joint Insurance Association, the University, and most recently Joint Action Agencies in the same fashion that the Authority has assisted municipalities. The bonds issued by the Authority for these borrowers (which is referred to as the “Bond Bank” in connection with those bonds and loans) are issued primarily pursuant to the 2005

* Preliminary, subject to change.

General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005, as amended (the “2005 General Bond Resolution”). In May 2015, the Act was amended to permit the Authority to assist regional health organizations that are not eligible participants under the 2005 General Bond resolution. The Authority will issue bonds pursuant to the 2016 Master Resolution, adopted by the Board of Directors of the Bond Bank on May 5, 2016 as the primary means of funding loans for regional health organizations. The Authority provides capital funds for the majority of allowed borrowers through loans to such entities and by issuing its bonds and notes to finance such loans under conditions set forth in the Act and the administrative regulations thereunder (Chapter 144 of the Alaska Administrative Code). The Authority generates funds to make such loans primarily by selling bonds on the national market, and using the proceeds to purchase bonds from authorized borrowers within the State. Loan payments from authorized borrowers to the Authority provide the primary source of funds for the Bonds; additionally, the State provides a standing appropriation on an annual basis to replenish the Reserve Fund, if necessary. Administratively, the Authority is supported by staff that is shared with the State’s Department of Revenue. A board of five directors authorizes the Authority’s actions such as issuing bonds and approving loans. See “THE ALASKA MUNICIPAL BOND BANK AUTHORITY.”

The State of Alaska

Alaska is a sovereign state of the United States of America, located in the far northwest corner of North America, to the west of Canada and begins approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State’s population has been growing, increasing 9.5 percent from fiscal year 2004 to fiscal year 2014 (Alaska Department of Labor and Workforce Development, Research & Analysis; August 2015). The State’s fiscal year is July 1st to June 30th.

As described below, the State is governed in accordance with its Constitution and statutes by legislative, executive and judicial branches. The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements and general administrative services.

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state in the United States, roughly equivalent in size to one-fifth of all of the other 49 states combined. Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. Most of the State’s revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and from securities in funds owned by the State. See “THE STATE OF ALASKA.”

PURPOSE OF THE SERIES 2016A BONDS

Authorization

The Series 2016A Bonds are being issued pursuant to the terms of the Bond Resolution, and are the first series of Bonds issued under the 2016 Master Resolution. Under the Act, as most recently amended, the Authority is authorized to make loans to, and to purchase bonds issued by, regional health organizations. A regional health organization is defined under AS 18.28.100 as a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles. The purpose for loans issued under the 2016 Master Resolution is to provide health care facilities and to minimize the cost of capital when the commissioner of public health and social services of the State anticipates a state financial benefit and an increase in regional quality of care. Under the Act, the Authority may not issue bonds or notes to a regional health organization unless (i) the Authority finances not more than 49% of the project; (ii) the remaining costs of the project are secured or delivered to the Authority before the Authority provides financing; and (iii) the Authority’s bonds or notes allocable to the project do not exceed \$102,500,000 for a single project. Current provisions of the Act also provide that bonds and notes issued to make loans to regional health organization (other than refunding bonds or notes) not exceed \$205,000,000 at any one time

Purpose of the Series 2016A Bonds

The Series 2016A Bond proceeds are being used for the following purposes: (i) to make a loan to the Dena’ Nena’ Henash DBA Tanana Chiefs Conference (“TCC” or “2016 Borrower”), a regional health organization to refinance a portion of the costs of constructing and equipping a healthcare clinic; (ii) to fund a deposit to the Authority’s Reserve Fund [possible surety], and (iii) to pay a portion of the costs of issuing the Series 2016A Bonds and the 2016 Borrower’s (hereinafter defined) costs of issuing its Borrower Bond. A portion of the proceeds of the Series 2016A Loan to TCC is to repay a loan made to TCC in 2011 by the City of Koyukuk from proceeds of the City’s Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project), Series 2011 (the “2011 Bonds”). See “THE 2016 BORROWER.”

SOURCES AND USES TABLE

The table below presents the sources and uses of funds related to the Series 2016A Bonds.

Sources of Funds:	
Principal Amount of Series 2016A Bonds	
Net Original Issue Premium	
Authority Contribution and TCC Contribution	
Total Sources of Funds	_____ \$
Uses of Funds:	
Loan to TCC	\$
Deposit to the Authority 2016 Reserve Fund	
Costs of Issuance ¹	
Underwriter’s Discount	
Total Uses of Funds	_____ \$

(1) Includes 2016 Borrower’s and Authority’s costs of issuance.

DESCRIPTION OF THE SERIES 2016A BONDS

General Description

The Series 2016A Bonds are issuable only as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), as securities depository for the Series 2016A Bonds. Principal of and interest on the Series 2016A Bonds are payable by The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as Trustee under the 2016 Master Resolution, to DTC which, in turn, is obligated to disburse such principal and interest payments to its participants (the “DTC Participants”) in accordance with DTC procedures. See “Appendix F– DTC and Book-Entry System.”

Series 2016A Bonds

The Series 2016A Bonds mature, subject to prior redemption, on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. The Series 2016A Bonds are issuable in denominations of \$5,000 or any integral multiple thereof within a single maturity, are dated as of the date of delivery and bear interest from their date payable on April 1 and October 1, commencing October 1, 2016.

Optional Redemption *

The Series 2016A Bonds maturing on or after October 1, 2021, are subject to redemption in whole or in part at the option of the Authority on any date on or after October 1, 2020, at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption. The 2016 Borrower's Loan has the same optional redemption provisions associated with the Series 2016A Bonds.

Notice of Redemption

The 2016 Master Resolution provides that at least 20 days, but not more than 60 days, prior to the date upon which any Series 2016A Bonds are to be redeemed, the Trustee will mail a notice of redemption to the registered owner of any Series 2016A Bond all or a portion of which is to be redeemed, at the owner's last address appearing on the registration books of the Authority kept by the Trustee. So long as all of the Series 2016A Bonds are held under the Book-Entry System, such notice will be sent only to DTC (or successor depository), and any notice to the beneficial owners of the Series 2016A Bonds will be the responsibility of DTC Participants. Neither the Authority nor the Trustee will provide redemption notices to the beneficial owners.

As provided in the Bond Resolution, the notice of redemption will be a conditional notice and will state that if at the time of mailing any notice of optional redemption, moneys sufficient to redeem the Series 2016A Bonds to be redeemed are not on deposit with the Trustee, such redemption will be subject to the deposit of the redemption moneys and will be of no effect unless such moneys are so deposited.

Selection of Series 2016A Bonds for Redemption

If fewer than all of the Series 2016A Bonds are to be redeemed prior to maturity, the Authority may select the maturity or maturities to be redeemed at the option of the Authority. So long as the Series 2016A Bonds are held under the Book-Entry System, DTC will select the Series 2016A Bonds for redemption within a maturity in accordance with the operational procedures of DTC referenced in the Letter of Representations. The 2016 Master Resolution provides that if less than all of the Bonds of any one maturity of a Series are called for redemption and the Bonds are not in book-entry form, the Bonds to be redeemed are to be selected by lot by the Trustee or in any manner as the Trustee, in its sole discretion, may deem appropriate and fair. See "Appendix F – DTC and Book-Entry System."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds, including the Series 2016A Bonds, constitute Master Resolution general obligations of the Authority, payable solely from the sources provided in and pledged pursuant to the 2016 Master Resolution and the Series Resolution described herein. The full faith and credit of the Authority are pledged to the payment of the principal of and interest on the Bonds, subject to agreements made or that may be made in the future under resolutions pledging particular revenues or assets not pledged under the 2016 Master Resolution. **The Series 2016A Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the Series 2016A Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the Series 2016A Bonds.** As provided in the Act, the Authority is obligated to pay the principal of and interest on the Bonds only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay the principal of or the interest on the Bonds, including the Series 2016A Bonds. **Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the Series 2016A Bonds. The Authority has no taxing power.**

* Preliminary, subject to change.

This is the first series of Bonds issued under the 2016 Master Resolution. As of April 1, 2016, the Bond Bank had outstanding \$987,875,000 of general obligation bonds issued under its 2005 General Bond Resolution, and \$4,155,000 of general obligation bonds issued under its 2010 Municipal Obligation Bond Resolution.

Pledge Effected by the 2016 Master Resolution

The Bonds are Master Resolution general obligations of the Authority, and the full faith and credit of the Authority are pledged to the payment of the principal or Accreted Value of and premium, if any, and interest on the Bonds, excluding and subject to any agreements heretofore and hereafter made with the owners of any other notes or bonds or with parties to other agreements of the Authority (or of the Bond Bank) pledging, any particular revenues or assets not pledged under this 2016 Master Resolution and excluding particular revenues or assets, such as revenues and investments in the Operating Fund and accounts therein, from any pledge. The Bonds and any Reimbursement Obligations and Subordinate Obligations are payable solely from the sources provided in and pledged pursuant to this 2016 Master Resolution and any Series Resolution..

The 2016 Master Resolution provides that Borrower Bonds and the Borrower Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by this 2016 Master Resolution and by any Series Resolution (other than the Rebate Fund) are to be held by the Trustee pledged and assigned by the 2016 Master Resolution to the Trustee: first, for the benefit of the Owners of the Bonds and Credit Facility Providers, to secure the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds and any Credit Facility Reimbursement Obligations; second, for the benefit of Reserve Fund Credit Facility Providers to secure the payment of amounts required to reimburse such Reserve Fund Credit Facility Providers for amounts drawn under Reserve Fund Credit Facilities; and third, for the benefit of owners of Subordinate Obligations, including without limitation, to secure the payment to Credit Facility Providers of amounts other than Credit Facility Reimbursement Obligations and to secure payments to Reserve Fund Credit Facility Providers of amounts other than payments of Reimbursement Obligations; in each case in accordance with the terms and provisions of the 2016 Master Resolution and applicable Series Resolutions and subject only to the lien of the Trustee to the extent provided in the 2016 Master Resolution and Series Resolutions permitting the application of proceeds for the purposes and on the terms and conditions set forth therein.

The 2016 Master Resolution also provides that the pledge is valid and binding from and after the date of adoption of the 2016 Master Resolution, and the Borrower Bonds and the Borrower Payments and all other monies and securities in the funds and accounts established by the 2016 Master Resolution and Series Resolutions (other than any Rebate Fund) to be held by the Trustee are pledged and shall immediately be subject to the lien of such pledge without any further act, and such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, regardless of whether such parties have notice thereof.

Borrower Bonds

Under the provisions of the Act and the 2016 Master Resolution, the Authority is authorized to purchase Borrower Bonds from any Borrower authorized under the Act. The 2016 Master Resolution defines Borrower Bonds as “general obligation bonds, revenue bonds, notes or other evidences of indebtedness issued by any Borrower that have been or that will be acquired by the Authority as evidence of, and to secure repayment by the Borrower of, a Loan to such Borrower pursuant to the Act.”

For each issue of Borrower Bonds that the Authority purchases, the 2016 Master Resolution will require the Authority to obtain a bond counsel’s opinion stating that (a) such Borrower Bonds are valid obligations of such Borrower as required by the Act and (b) a Loan Agreement has been duly authorized and executed between the Authority and the Borrower that constitutes a valid and binding obligation of the Borrower.

The 2016 Master Resolution requires that each Loan Agreement obligate a Borrower to (a) make interest payments on its Borrower Bond sufficient in amount and at such times to provide the Authority funds to meet interest payments on its Loan Obligations as they become due; and (b) make principal payments on its Borrower Bond sufficient in amount and at such times to provide the Authority funds to meet principal payments on its Loan Obligations as they become due. Pursuant to the Loan Agreement, the Borrower is required to pay its Allocable Proportion of Authority Reserve Fund Interest Expense and also may be required to pay fees and charges to the

Authority to meet the Borrower's allocable portion of certain expenses, including the portion of any Reserve Fund Credit Facility Reimbursement Obligation attributed to the Borrower. Each Loan Agreement also contains restrictions on the sale or redemption of the Borrower's Borrower Bond.

With respect to the Series 2016A Bonds, the 2016 Borrower is executing a Loan Agreement (the "2016 Loan Agreement"). Under the 2016 Loan Agreement, the 2016 Borrower is obligated to make payments sufficient to repay the proceeds of the Series 2016A Bonds, together with interest, in amounts sufficient to pay the principal of and interest on the Series 2016A Bonds as they become due and payable. These 2016 Borrower Payments will be paid to the Trustee monthly (one-sixth of each upcoming interest payment and one-twelfth of each upcoming principal payment). The payments by the 2016 Borrower are the primary security for the repayment of the Series 2016A Bonds.

In addition, the 2016 Loan Agreement requires that the 2016 Borrower establish and maintain a local reserve as additional security for its repayment obligations under the 2016 Loan Agreement. This local Borrower reserve will be held in the custody of the Trustee.

Debt Service Fund

The 2016 Master Resolution establishes a Debt Service Fund and three accounts therein, the Principal Account, the Interest Account and the Redemption Account for the purpose of paying debt service on all Bonds issued under the 2016 Master Resolution. The Trustee is required to deposit Borrower Interest Payments and any other monies available for the payment of interest in the Interest Account upon receipt thereof. The Trustee is required, on or before each Interest Payment Date and on each date fixed for redemption, to withdraw from the Interest Account and pay, or provide for the payment of, interest then due on the Bonds, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such interest.

The Trustee is required to deposit Borrower Principal Payments and any other monies available for the payment of principal or Accreted Value in the Principal Account, upon receipt thereof. On or before each principal payment date for Outstanding Bonds, including any mandatory sinking fund redemption date for term Bonds, the Trustee is required to pay or provide for the payment, the principal or Accreted Value then due, whether at maturity or upon mandatory sinking fund redemption, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such principal, Accreted Value and mandatory sinking fund redemption payments.

The Trustee is required to establish in the Redemption Account a separate subaccount for the Bonds of each Series Outstanding. Money in the Redemption Account subaccounts are to be used for the purchase or retirement of Bonds allocable to the respective subaccounts.

Reserve Fund

The Alaska Municipal Bond Bank Reserve Fund (the "Statutory Reserve Fund") was created by Section 44.85.270 of the Act. The Series 2016 Master Resolution establishes a "Reserve Account" within the Statutory Reserve Fund (the "2016 Reserve Fund"). The 2016 Reserve Fund is separate from the reserve accounts established within the Statutory Reserve Fund pursuant to the 2005 Master Bond Resolution and the 2010 Resolution. The 2016 Reserve Fund is a common reserve and is available to secure all Bonds issued under the 2016 Master Resolution, but not for bonds issued under the 2005 Master Bond Resolution and the 2010 Resolution. The 2016 Reserve Fund is to be held by the Trustee and maintained at an amount equal to the Reserve Fund Requirement. The Reserve Fund Requirement is equal to the least of the following: (i) 10% of the initial principal amount of each Series of Bonds then Outstanding; (ii) Maximum Annual Debt Service with respect to all Bonds Outstanding; (iii) 125% of Average Annual Debt Service on all Bonds Outstanding; or (iv) such lower amount as may be required by law. The Reserve Fund Requirement is to be funded initially with proceeds from the Series 2016A Bonds. The Reserve Fund Requirement may, however, be satisfied entirely, or in part, by a letter of credit, line of credit, credit facility, surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds (further defined in the 2016 Master Resolution as "Reserve Fund Credit Facilities").

Under the terms of the 2016 Master Resolution, on or before the first day of each month, the Trustee is required to set aside from amounts in the 2016 Reserve Fund derived from Borrower Payments and if such Borrower Payments are not sufficient, then from income or interest earned and profits realized by the 2016 Reserve Fund due to the investment thereof or other amounts made available by the Authority, an amount that, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, on such day be equal to the unpaid interest on the 2016 Reserve Fund Obligations accrued and to accrue to the last day of such month. If the Authority directs, said amounts may be deposited in an account that the Trustee is required to create in the 2016 Reserve Fund under the name of "Authority Reserve Fund Obligations Interest Account." On or before each interest payment date of the Authority Reserve Fund Obligations, said amounts are required to be deposited in the Interest Account.

The 2016 Master Resolution provides that, on or before each date on which the principal or Accreted Value of Authority Reserve Fund Obligations is due, either at maturity or on a mandatory sinking fund redemption date, the Trustee is required to withdraw from amounts in the 2016 Reserve Fund and deposit in the Principal Account, an amount that, when added to the amount then on deposit in the Principal Account and derived from sources other than Borrower Payments, be equal to the principal amount of the Authority 2016 Reserve Fund Obligations due on such date.

On or before June 30 of each year, after complying with the provisions described in the preceding paragraph to the extent required by such date and in addition to other withdrawals permitted in the 2016 Master Resolution, the Trustee is required to withdraw from the 2016 Reserve Fund, any amount remaining therein derived from income or interest earned and profits realized by the 2016 Reserve Fund due to the investment thereof, and pay over said amount to the Authority for deposit in the Operating Account, but only to the extent that there remains after such withdrawal an amount in the 2016 Reserve Fund, including the face amount of 2016 Reserve Fund Credit Facilities at least equal to the Required Debt Service Reserve.

The Reserve Fund Requirement may be satisfied with (i) monies made available by the State and paid or delivered to the Authority for the purpose of the Statutory Reserve Fund in the amount provided by a Series Resolution; (ii) all monies paid to the Authority pursuant to the Act for the purpose of restoring the 2016 Reserve Fund to the amount of the Required Debt Service Reserve; (iii) such portion of the proceeds of sale of Bonds, if any, as shall be provided by any Series Resolution; (iv) one or more Reserve Fund Credit Facilities; (v) monies transferred by the Authority from the Authority's custodian account, Reserve Fund Credit Facilities; (vi) any monies that may be made available to the Authority for deposit to the 2016 Reserve Fund from any other source or sources; or (vii) any combination of the foregoing.

Upon failure of a Borrower to make any principal or interest payment when due pursuant to its Loan Agreement and in any event if on the seventh day before a principal or interest is due on Bonds, the amount on deposit in the applicable Debt Service Account is not sufficient to make such payment on the principal or interest payment date, the Trustee will be required to notify the Executive Director immediately and the Executive Director will be required to take, or to direct the Trustee to take, the actions described below in "*Replenishment Commitment*".

If on any Interest Payment Date or principal payment date (whether a maturity date or a mandatory sinking fund redemption date) a deficiency in the Interest Account or in the Principal Account exists, the Trustee is required to make up such deficiency or deficiencies from the 2016 Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of securities held in the 2016 Reserve Fund, if necessary, in such amounts as will, on or before such payment date or dates, provide monies for deposit to the Interest Account and/or the Principal Account, as applicable, sufficient to make up any such deficiency. If a deficiency still exists immediately prior to a debt service payment date and after the withdrawal of cash and securities, the Trustee then is required to draw from any Reserve Fund Credit Facility (*pro rata*, in proportion to the maximum available amount, if there is more than one Reserve Fund Credit Facility for the Bonds) in sufficient amount to make up such difference. Such draws are required to be made at the times and under the conditions required by the Reserve Fund Credit Facilities.

Replenishment Commitment. The Act and the 2016 Master Resolution require the Authority to deliver a statement to the Governor and the State Legislature annually, before January 30, stating the amount, if any,

necessary to restore the 2016 Reserve Fund to the Required Debt Service Reserve resulting from a draw on the Reserve Fund at any time during the prior year. The State Legislature may, but is under no legal obligation to, appropriate money sufficient to restore the 2016 Reserve Fund to the Reserve Fund Requirement. The Authority has never reported a deficiency in any of the reserve funds held by the Authority.

Since 2009, the State has included in its operating budget a standing appropriation to replenish the Statutory Reserve Fund, if necessary, and to appropriate excess earnings after operating expenses on funds appropriated to the Authority by the Legislature to the Custodian Account instead of to the State's General Fund as the Act otherwise would require. The State is not obligated, legally or otherwise, to include the appropriation in its annual operating budget. The Authority's annual obligation to submit to the State a budget request for an appropriation is in addition to the Authority's obligation to seek an appropriation in the event of a deficiency in the 2016 Reserve Fund to restore the amount in the Required Debt Service Reserve as described below.

Custodian Account. Money not held by the Trustee in the Reserve Fund or in reserves for bonds issued under other bond resolutions is maintained by the Authority primarily in an account that acts as the Operating Fund referred to as the Custodian Account (the "Custodian Account"). The Custodian Account contains funds attributable to both State appropriations as well as funds that were not appropriated by the State, and current year investment earnings not held by the Trustee or pledged to the payment of the Bonds. The funds that were not appropriated as prior year retained earnings are not subject to the statutory annual earnings transfer, and current year investment earnings and as with the Operating Account is not held by the Trustee or pledged to the payment of the Bonds. As of April 1, 2016 the value of the Custodian Account was \$14,601,461 (unaudited). As operational expenses are realized, funds are transferred from the Custodian Account to the checking account. As of April 1, 2016, the value of the checking account was \$21,236 (unaudited).

The Act requires that any earnings net of operating expense on funds directly appropriated by the State to the Authority be transferred to the State in the following fiscal year. Starting in fiscal year 2009, through the current fiscal year 2016, all fiscal year earnings due to the State's general fund by statute have been appropriated to the Authority's Custodian Account. The State Legislature may, but is under no legal obligation to, appropriate statutory earnings back to the Authority. The entire Custodian Account balance is available for appropriation by the State Legislature, with a majority vote and the Governor's concurrence or a three-quarter majority vote to overcome a Governor's veto of the appropriation, during any Legislative session. The Legislature has not appropriated funds out of the Custodian Account for non-Authority related purposes in the current, or any prior, fiscal year.

Pledge and Agreement of the State

In the Act, the State has pledged and agreed with the holders of the Bonds that it will not limit or restrict the rights vested in the Authority by the Act to, among other things, purchase, hold and dispose of Borrower Bonds and fulfill the terms of an agreement (including the 2016 Master Resolution) made by the Authority with such holders, or in any way impair the rights or remedies of such holders until the Bonds, including interest on the Bonds and interest on unpaid installments of interest and all costs and expenses in connection with an action or proceeding by or on behalf of such holders, are fully met, paid and discharged.

THE ALASKA MUNICIPAL BOND BANK AUTHORITY

Organization

The Authority consists of the following five Directors: the Commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development of the State and three additional Directors appointed by the Governor. The three additional appointees serve four-year staggered terms and must be qualified voting residents of the State. The Commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development may appoint delegates to the Authority Board of Directors to serve in their absence.

The Act requires the Directors to elect one of their members as chair and one of their members as vice-chair and also to elect a secretary and a treasurer who need not be Directors in the first meeting of each fiscal year. Action

may be taken and motions and resolutions adopted by the Authority at any meeting by the affirmative vote of at least three Directors. The Directors appoint an Executive Director to manage the business of the Authority.

Board of Directors

The Authority's Board of Directors includes members listed below.

Mark Pfeffer - Chair. Term expires July 15, 2017. Mr. Pfeffer was originally appointed to the Board on October 10, 2001. Mr. Pfeffer is a registered architect who owns an architectural practice in Anchorage, Alaska. He is active in the development, design and management of commercial real estate projects, many of which include public/private partnerships. He is President of Pfeffer Development, LLC. Mr. Pfeffer received a Bachelor of Architecture Degree from the University of Nebraska.

Gregory Gursej - Vice Chair. Term expires July 15, 2018. Mr. Gursej was appointed to the Board on June 22, 2009. Mr. Gursej became President of Benefit Brokers, Inc. in 2001, after working as Vice President of Investments for Wedbush Morgan Securities for 11 years. Mr. Gursej also serves as a FINRA industry arbitrator in both civil and industry arbitration cases. After graduating from the University of Alaska Anchorage with a degree in finance, Mr. Gursej became involved with the University of Alaska Foundation. He served as the first Chairman of the UAA College of Fellows, served as a Trustee to the UA Foundation, and was a member of the Investment Committee to the UA Foundation. Mr. Gursej has served on both the State of Alaska Dental Examiner's Board and the U.S. Treasury Department's Taxpayer Advocacy Panel. He served on the Investment Commission for the Municipality of Anchorage and several other local boards.

Luke Welles - Member. Term expires July 15, 2019. Mr. Welles was originally appointed to the Board on May 21, 2008. Mr. Welles became Vice President of Finance of the Arctic Slope Native Association, Ltd in March 2011. Prior to his current job he served as Chief Financial Officer of LifeMed Alaska, LLC, which provides medivac services in Alaska. Previously, Mr. Welles was the Chief Financial Officer for the Yukon Kuskokwim Healthcare Corporation which administers healthcare in 52 rural communities including a hospital located in Bethel, Alaska. He has management experience in healthcare, civil construction and commercial real estate. Over the past 15 years he has served on several economic development commissions in the State, as a city council member in Homer, Alaska and on multiple boards. Mr. Welles received a Bachelor of Arts Degree in Foreign Service and International Business from Baylor University.

Michael Lamb - Member. Mr. Lamb is the first delegate for Chris Hladick, Commissioner of the Department of Commerce, Community and Economic Development. Mr. Lamb is a certified public accountant with over 25 years' experience as a chief financial officer and has worked in private, public, and governmental financial management positions. He serves as the chief financial officer for the Alaska Industrial Development and Export Authority and the Alaska Energy Authority. Prior to that, for almost 15 years Mr. Lamb was the chief financial officer for the Fairbanks North Star Borough, Alaska. For almost 9 years, prior to the Borough, he was the chief financial officer for the City of St. Paul, Alaska. Mr. Lamb is a graduate from the University of Washington, School of Business with a Bachelor of Arts in Business Administration, with an emphasis in accounting.

Pamela Leary - Member. Ms. Leary is the first delegate for Randall Hoffbeck, Commissioner of the Department of Revenue. She is the Director of Treasury Division in the Department of Revenue and acts as the State Treasurer. She previously served in the Department as State Comptroller from 2007 through 2013. Ms. Leary began her career as an auditor with Price Waterhouse and became a partner in the firm PricewaterhouseCoopers, LLP. After moving to Alaska, Ms. Leary owned and operated a business before reentering the accounting profession with the Alaska Permanent Fund Corporation. She holds a bachelor's degree in economics from the Wharton School, University of Pennsylvania, and is a certified public accountant in the State of Alaska.

Management

The Authority is a public corporation of the State of Alaska established and organized under the Department of Revenue in 1975. Following creation, the Authority was independently staffed by a full time Executive Director, full time Secretary, and additional short-term staff and maintained separate offices in Anchorage, Alaska. The Legislature determined in the May 1997 that the operation and management responsibility for the Authority would be incorporated into the duties of Department of Revenue, Treasury Division. This resulted in the State's Debt Manager position being partially delegated to the Authority. Staffing was augmented in 2013 when the Department of Revenue, Treasury Division's Operational Research Analyst position was partially delegated to the Authority.

Deven J. Mitchell, who also serves as State Debt Manager and Investment Officer in the Department of Revenue – Division of Treasury, with responsibility for the management of all debt of the State, was appointed Executive Director of the Authority in 1999. Mr. Mitchell has worked for the Department of Revenue since 1992. He previously held several positions in Alaska financial institutions. Mr. Mitchell holds a Bachelor of Science Degree in Business Administration from Northern Arizona University.

Ryan S. Williams, who also serves as Operations Research Analyst in the Department of Revenue – Division of Treasury, was appointed Finance Director of the Authority in 2014. Mr. Williams has worked for the Department of Revenue since 2009. Mr. Williams holds a Bachelor of Science Degree in Business Administration from the University of Southern California, with a concentration in International Business.

The Authority contracts in the private sector for a wide range of professional services. The Executive Director and Finance Director coordinate the activities of these professionals, which include bond counsel, financial advisor, accountants, auditors, fund trustees, bond trustees, arbitrage rebate consultants, and investment managers.

BONDS OUTSTANDING

Under the provisions of the Act, the Authority can issue additional series of Bonds under its 2016 Master Resolution or issue bonds under other resolutions. The Authority currently has bonds outstanding under the following described resolutions.

The total amount of Authority bonds and notes outstanding at any one time may not exceed \$1.793 billion, comprised of \$1.5 billion to municipalities, Joint Insurance Associations, Port Authorities, Joint Action Agencies, or the University of Alaska; and within this limit, \$87.5 million for the University of Alaska; and \$205 million for regional health organizations. As of April 21, 2016, the total principal amount of the Authority's bonds and notes outstanding, not including the Series 2016A Bonds, was \$1,059, 017,916; all issued to municipalities or the University.

2005 Master Resolution

The Authority has issued 35 series of bonds under the 2005 Master Bond Resolution for the benefit of governmental entities in the State. As of April 1, 2016, the Authority has issued \$1,275,565,000 of general obligation bonds under the 2005 Master Bond Resolution, \$987,875,000 of which remains outstanding. Since February 2006, with the exception of the 2010 Series A-1 and A-2 Municipal Obligation Bonds and the Series 2016A Bonds, all of the General Obligation bonds issued by the Authority have been issued under the 2005 Master Bond Resolution. The Authority expects to continue to use the 2005 Master Bond Resolution as the primary means of assisting all borrowers other than the regional health organizations.

2010 Municipal Obligation Bond Resolution

On November 2, 2010, the Authority's Board of Directors approved the 2010 Municipal Obligation Bond Resolution ("2010 Resolution"). Bonds issued pursuant to the terms of the 2010 Resolution are general obligation bonds, equally and ratably secured by a pledge and assignment of all obligations acquired by the Authority under the 2010 Resolution. As of April 1, 2016, the Authority has issued \$4,765,000 of general obligation bonds under the 2010 Resolution, \$4,155,000 of which remains outstanding. The Authority has no plans at this time to issue additional bonds under its 2010 Resolution.

Revenue Bond Resolutions

The Authority has issued revenue bonds under stand-alone revenue bond resolutions. The proceeds of these revenue bonds are applied toward the purchase of revenue bonds issued by municipal borrowers. Under current law, revenue bonds are limited to \$75 million in any year. There are presently no outstanding revenue bonds issued by the Authority. The Authority has no plans at this time to issue additional revenue bonds.

Coastal Energy Impact Program

The Authority issued bonds to provide loans to local governments that qualified for aid under the Coastal Energy Impact Program ("CEIP"). CEIP is a federal program designed to provide financial assistance to coastal states and municipalities facing impacts from offshore oil development. The United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") and the Authority entered into an agreement whereby the Authority was the direct lending agency for the CEIP in the State, with \$50 million available to make loans to local governments or to establish reserves for loans to local governments.

The Authority issued CEIP bonds, the proceeds of which were used to purchase bonds issued by the Kenai Peninsula Borough, the City of Seward, the City of Nome and the City of St. Paul. The total amount of CEIP bonds outstanding as of April 1, 2016, under the Coastal Energy Impact Loan Program was \$10,252,916, consisting of loans to the City of St. Paul and the City of Nome.

The CEIP loans are administered directly by NOAA without involvement of the Authority. Bonds issued for the CEIP are not secured by a pledge of any amounts held by or payable to the Authority under the 2016 Master Resolution, including the Reserve Fund, nor are they secured directly or indirectly by any reserve account created under the Act. The Authority has no plans at this time to issue additional bonds.

Direct Loans

The Authority has purchased certain bond anticipation notes and has defeased certain Authority bonds with money from the Custodian Account while retaining underlying communities' bonds.

As of April 1, 2016, the Authority holds \$1,401,851 of City of Galena Utility Revenue Bonds and \$152,632 of City of Galena appropriation obligations in its financial portfolio. The loans to the City of Galena are the result of Legislative appropriation to the Authority specifically for this purpose.

As of April 1, 2016, the Authority holds \$2,805,000 of Kenai Peninsula Borough Bonds, the proceeds of which were used, in part, to construct the Central Peninsula Hospital's Specialty Clinic Building. That loan was funded with moneys in the Custodian Account and is secured by a pledge of gross hospital revenues and a debt service reserve fund. This loan was made directly as it did not qualify for tax exemption and would have required a special series of taxable Authority bonds combined the relatively short 8-year level debt service structure. The loan is issued on parity with other Central Peninsula Hospital loans.

On May 5, 2016 the Authority approved [I think they will] an additional loan to KPB, for the Central Peninsula Hospital's Specialty Clinic Building. This loan was made directly as it did not qualify for tax exemption and would have required a special series of taxable Authority bonds combined with the relatively short 7-year level debt service structure. The loan is issued on parity with other Central Peninsula Hospital loans.

Loans by the State of Alaska

The Authority has the statutory authority to borrow funds from the State of Alaska’s general fund at the discretion of the Commissioner or the Department of Revenue. In November 2010 and August 2011 the Authority borrowed \$6.0 million and \$7.0 million, respectively, from the State for authorized uses of the Authority. The State of Alaska’s fiscal year 2013 capital budget converted the 2010 and 2011 loans to grants through a \$13.2 million appropriation to the Authority that was effective April 15, 2012. This amount reflected the original loan amounts plus interest accrued on those loans. The Authority does not have any outstanding loans from the State at this time.

TOTAL AUTHORITY BONDS ISSUED AND OUTSTANDING AS OF APRIL 1, 2016

	<u>Original Amount Issued</u>	<u>Amount Outstanding</u>
I. Total 2005 Master Bond Resolution G.O. Bonds ⁽¹⁾	\$1,335,160,000 ⁽¹⁾	\$1,044,610,000 ⁽¹⁾
II. Total 2010 Resolution G.O. Bonds	4,765,000	4,155,000
III. Coastal Energy Impact Loan Program	35,456,046	10,252,916

**REMAINING DEBT CAPACITY UNDER EXISTING BOND RESOLUTIONS
AFTER THE ISSUANCE OF THE SERIES 2016A BONDS**

Debt Limit (AS 44.85.180 (c) of the Act)		\$1,500,000,000 ⁽²⁾
Debt Limit (AS 44.85.180 (e) (1) of the Act)		\$87,500,000 ⁽²⁾
Debt Limit (AS 44.85.180(e)(2) of the Act)		\$205,000,000
Less Outstanding Bonds		
General Obligation Bonds		
2010 Resolution	4,155,000	
2005 Master Bond Resolution	1,044,610,000 ⁽¹⁾	\$1,048,765,000
2016 Master Resolution		⁽¹⁾
Coastal Energy Loan Program		<u>10,252,916</u>
Total Outstanding Debt (AS 44.85.180 (c) and (e) (1))		\$1,059,017,916
Remaining Debt Capacity (AS 44.85.180 (c) and (e) (1))		<u>\$528,482,084</u>

(1) Includes the Series 2016A Bonds. Preliminary, subject to change.

(2) The limit applies to all outstanding bonds or notes issued by the Authority under AS 44.85.180(c) and (e)(1). Of this total, \$87,500,000 may be issued for the purpose of making loans to the University of Alaska (AS 44.85.180 (e) (1)) and up to \$1.5 billion may be issued and outstanding for other purposes of the Authority (AS 44.85.180(c)). The Authority’s 2015 Series Three Bonds included the issuance of \$86,085,000 under the University of Alaska authorization (AS 44.85.180(e)(1)).

The limits described above do not apply to the authority of the Authority (or a subsidiary corporation of the Authority) to issue bonds to assist governmental employers to prepay all or a portion of their share of the unfunded accrued actuarial liabilities of retirement systems. This authority has never been utilized and the Authority has no plans to do so.

**DEBT SERVICE REQUIREMENTS OF
THE SERIES 2016A BONDS⁽²⁾
(FISCAL Years Ending June 30)**

Fiscal Year	Series 2016A Principal	Series 2016A Interest	Total Debt Service*
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
	\$	\$	\$

- 1 Totals may not foot due to rounding. The Series 2016A Bonds are the first Series of Bonds issued under the 2016 Master Resolution. See “BONDS OUTSTANDING.”
- 2 Preliminary, subject to change.

Future Financing Plans

The Authority anticipates issuing additional bonds pursuant to its 2005 Master Bond Resolution or other bond resolutions within the next 12 months to borrowers, including political subdivisions of the State with local taxing authority. The principal amount of such additional bonds depends on the number and size of the applications for Authority financing from eligible borrowers. Under the 2016 Master Resolution, the Authority is working with several regional health organizations to determine whether the Authority will participate in the financing of certain health facilities by issuing bonds to provide loans.

Debt Payment Record

The Authority has always made principal and interest payments on its general obligation and revenue bonds when due. No deficiencies have arisen in any Authority debt service fund or reserve fund.

THE 2016 BORROWER

Nearly all health care that is delivered to Alaska Natives is administered by 13 Alaska Native regional health organizations. Regional health organizations are nonprofit corporations (or a home rule borough of the State) that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles. TCC is one of the State’s regional health organizations. The loan to TCC has been approved by the Commissioner of the State Department of Health and Social Services as funding the loan is anticipated to provide State financial benefit and to increase the regional quality of health care, and TCC has funding for 51% of the project secured from other sources.

Tanana Chiefs Conference

The net proceeds of the Series 2016A Bonds are being loaned to the TCC to retire existing indebtedness. TCC is an organization exempt from federal taxation under Section 501(c)(3) of the Code. TCC’s objectives are to provide health, social, and economic services to the members of the 42 villages it serves using federal, state, and local resources. The prior indebtedness was undertaken in order to construct the Chief Andrew Isaac Health Center,

completed at the end of 2012, as an outpatient clinic, and was built through a joint venture construction project with the Indian Health Service. The obligation of TCC to repay the Loan from the Authority will be a general corporate obligation of TCC secured by an interest in (a) a first and sole mortgage on the Chief Andrew Isaac Health Center pursuant to a Deed of Trust, (b) Health Care Revenues, excluding Restricted Funds, and (c) General Revenues, excluding Restricted Funds, pursuant to a Security Agreement. Payment of the proposed financing by the Authority will be from (a) Health Care Revenues and (b) General Revenues of Tanana Chiefs Conference, in each instance excluding Restricted Funds. See “APPENDIX B – INFORMATION RELATING TO THE BORROWER.”

THE STATE OF ALASKA

General

Although payments made by the 2016 Borrower are the primary security for the repayment of the Series 2016A Bonds, the Authority also maintains an Authority Reserve Fund as additional security for the repayment of the Series 2016A Bonds. The Authority is authorized under the Act to seek replenishments for the Authority Reserve Fund from the Alaska State Legislature. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State’s revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the “Statehood Act”). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the “Legislature”). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court and the courts established by the Legislature. The jurisdiction of courts and judicial districts are prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements and general administrative services.

There are 18 boroughs in Alaska and 144 cities, 96 of which are located within a borough. Of these, 13 boroughs and 23 cities impose property taxes and 9 boroughs and 52 cities impose sales taxes.

State Revenues

The State does not currently impose personal income taxes and has never imposed general sales taxes. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in FY 2015. Grants, contributions and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The State has forecasted in the Spring 2016 Revenue Sources Book that general purpose unrestricted revenues in FY 2016 will be \$1,336.9 million, compared to \$2,256.5 million of actual general purpose unrestricted revenue in FY 2015, primarily driven by a projected \$39.99 price of oil per barrel for FY 2016 (a \$9.59 decrease in price per barrel from the Fall FY 2015 forecast).

Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the State's control. Actual budgets, plans and results may differ materially from the plans, budgets and results described herein. As described herein, with recent decreases in oil prices and production, the State's FY 2015 and forecast unrestricted revenue available for General Fund appropriation also has declined. Although petroleum-related revenue remains the largest source of unrestricted revenue for the State's General Fund, increased use of currently restricted revenues, which are significantly greater than unrestricted petroleum-related revenue, together with potential sources of new revenues and potential expenditure reductions, are being considered. See "Government Budgets and Appropriations."

Oil and Gas Revenues. The State's unrestricted General Fund revenues are generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from five sources: oil and gas property taxes, corporate income taxes, oil and gas production taxes, oil and gas royalties, and rents and bonuses.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Property taxes on exploration property are based upon estimated market value of the property.

Local governments also may levy a property tax on oil and gas properties at the same rate it taxes all other property within their jurisdiction up to 20 mills using the assessed values determined by the State. Taxpayers receive a credit against the State oil and gas property tax for property taxes paid to municipalities on such property up to the amount of State tax that would otherwise be due. Of the \$572.4 million of property taxes collected in FY 2015 on oil and gas property in the State, the State's share was approximately \$125.2 million.

Revenue from oil and gas property taxes is deposited into the General Fund; settlement payments received by the State after a property tax assessment dispute, however, are deposited into the Constitutional Budget Reserve Fund. For additional information see "Government Funds—The Constitutional Budget Reserve Fund."

Corporate Income Tax. Alaska levies a corporate income tax on Alaska taxable net income of companies doing business in Alaska (other than insurance companies that pay premium tax and other than S corporations and limited liability companies). Effective for tax years on or after August 26, 2013, corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. The calculation of Alaska taxable income varies, depending on whether the corporation does business solely in Alaska, does business both inside and outside Alaska or is part of a group of corporations that operate as a unit in the conduct of a single business. Oil and gas companies are combined on a world-wide basis, although for other industries only the companies doing business in the United States are combined. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited into the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited into the Constitutional Budget Reserve Fund.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on all onshore oil and gas production, except for the federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax is a tax on net profit using the concept of “Production Tax Value” (“PTV”) which is gross value at the point of production minus lease expenditures (capital and operating costs). PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to depreciation. The tax under PPT is 35% tax of taxable value minus lease expenditures. There is a 20% credit for all qualified capital expenditures (eliminated for the North Slope and replaced with a credit tied to production on the North Slope), a small producer credit of up to \$12 million per year for qualified companies, and the creation of an incentive for the development of areas north of 68 degrees North latitude that are not currently in production.

During the creation of Senate Bill 21 (“SB 21,” signed into law on May 21, 2013 and the subject of a failed State-wide referendum to repeal in August 2014), the Legislature stated its intent to provide a direct incentive for companies to produce additional oil. As a result, a mechanism was created in the form of a per-taxable-barrel credit. The per-taxable-barrel credit is reduced from \$8 per barrel to \$0 at wellhead values between \$80 per barrel and \$150 per barrel, thus retaining a progressive element in the tax system.

SB 21 also introduced the above-mentioned incentive to bring new production areas on the North Slope into development. This incentive reduces the tax liability in new production areas by excluding 20% of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools that have not been discovered or developed. Oil that qualifies for this Gross Value Reduction (“GVR”) receives a flat \$5 per taxable barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this \$5 per taxable barrel credit can be applied against the minimum tax.

As an incentive for new exploration, companies without tax liability against which to apply credits available under the SB 21 tax may apply for a refund of the value of most of the credits. In FY 2015, the State paid \$628 million to companies claiming such credits.

All unrestricted revenue generated by the oil and gas production taxes (\$2.9 billion in FY 2010, \$4.6 billion in FY 2011, \$6.1 billion in FY 2012, \$4.1 billion in FY 2013, \$2.6 billion in FY 2014, and \$0.4 billion in FY 2015) is deposited into the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the Constitutional Budget Reserve Fund. See “Oil and Gas Royalties, Rents and Bonuses” and Table 1.

Oil and Gas Royalties; Rents and Bonuses. In FY 2015, approximately 99 percent of all oil production in the State, including the reserves at Prudhoe Bay, was from State land leased for exploration and development. As the land owner, through the Department of Natural Resources (“DNR”), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land has historically been leased largely based on a competitive bonus bid system. Under this system the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of up to 20 percent and some also include a net profit-share production agreement. While other leasing alternatives are available under statute, they have not been used in the past. Under all lease contracts the State has ever written, it reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the higher-of contract prices received by the producers, net of transportation charges). If the State takes its royalty share in-kind it becomes responsible for selling and transporting that royalty share. This means establishing complex contracts to accomplish these tasks.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve-Alaska (the “NPR-A”). The State also receives revenues from federal royalties and bonuses on all other federal lands located within State borders and federal royalties and lease bonuses and rents from certain federal waters at rates negotiated on a field by field basis.

As shown in Tables 1 and 2 below, a portion of the State’s oil-related revenue, including oil and other royalty and bonus payments, is restricted revenue and is not available for general appropriations. See “Government Funds.” The State Constitution requires that a minimum of 25 percent (and State statutes currently require 50 percent for certain leases) of all mineral and oil and gas lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State be deposited to the Permanent Fund. See “Government Funds – The Alaska Permanent Fund.” Alaska statutes also require that at least 0.5 percent of all royalties and bonuses be contributed to the Public School Fund Trust and that most settlements with or judgments involving tax and royalty disputes be deposited to the Constitutional Budget Reserve Fund. See “Government Funds.” In addition, the State is required to deposit its entire share of lease bonuses, and rents and royalties from oil activity in the NPR-A to the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations.

Table 1 summarizes the sources and uses of oil and other petroleum-related revenue for FYs 2006 through 2015.

Table 1
Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
FYs Ended June 30, – 2006 - 2015
(\$ millions)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oil Revenue to the General Fund										
Property Tax	\$54.5	\$65.6	\$81.5	\$111.2	\$118.8	\$110.6	\$111.2	\$99.3	\$128.1	\$125.2
Corporate Income Tax	661.1	594.4	605.8	492.2	446.1	542.1	568.8	434.6	316.6	94.8
Production Tax (1)	1,199.5	2,208.4	6,822.6	3,112.0	2,871.0	4,552.9	6,146.1	4,050.3	2,598.2	389.7
Royalties (including bonuses, rents and interest) (2)	1,784.1	1,613.0	2,446.1	1,465.6	1,477.0	1,843.3	2,031.7	1,767.8	1,712.4	1,078.2
Subtotal	\$3,699.2	\$4,481.4	\$9,956.0	\$5,181.0	\$4,912.9	\$7,048.9	\$8,857.8	\$6,352.0	\$4,755.3	\$1,687.9
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund (3)	\$611.5	\$545.6	850.5	\$670.8	\$707.2	\$870.9	\$919.6	\$855.9	\$786.2	\$518.3
Tax settlements to CBRF	43.7	101.9	476.4	202.6	552.7	167.3	102.1	176.6	141.4	149.0
NPR-A royalties, rents and bonuses (4)	4.5	12.8	5.2	14.8	21.3	3.0	4.8	3.6	6.8	3.2
Subtotal	659.7	660.3	1,332.1	888.2	1,281.2	1,041.2	1,026.5	1,036.1	934.4	670.5
Total Oil Revenue	\$4,358.9	\$5,141.7	\$11,288.1	\$6,069.2	\$6,194.1	\$8,090.1	\$9,884.3	\$7,388.1	\$5,689.7	\$2,358.4

- (1) The standard deduction provided under the 2007 Alaska’s Clear and Equitable Share bill for production in the Prudhoe Bay and Kuparuk fields expired on December 31, 2009.
- (2) Net of deposits to the Permanent Fund and the Constitutional Budget Reserve Fund. The State Constitution requires the State to deposit at least 25 percent to the Permanent Fund, and between 1980 and 2003 Alaska statutes required the State to deposit at least 50 percent to the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. See “Government Funds – The Alaska Permanent Fund.”
- (3) Includes proceeds of royalties taken in-kind.
- (4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

Source: State of Alaska Department of Revenue

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, and miscellaneous revenues. In FY 2015, unrestricted revenue unrelated to petroleum production was \$521.5 million. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, as a result of procurement contracts, grants and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately \$2.4 billion in FY 2013, \$2.5 billion in FY 2014, and \$2.5 billion in FY 2015. The funds are primarily used for road and airport improvements, aid to schools and Medicaid payments, all of which are restricted by legislative appropriation to specific use. Federal funds most often are transferred to the State on a reimbursement basis, and all transfers are subject to audit.

Investment Income. The State earns unrestricted and restricted investment earnings from a number of internal funds. The primary sources of investment income for the State are two Constitutionally-mandated funds, the Permanent Fund and the Constitutional Budget Reserve Fund. The Permanent Fund had a fund balance (principal and the earnings reserve) of approximately \$52.8 billion as of June 30, 2015, \$51.2 billion as of June 30, 2014, \$44.8 billion as of June 30, 2013, \$40.3 billion as of June 30, 2012, and \$40.1 billion as of June 30, 2011. The Constitutional Budget Reserve Fund had a fund balance of approximately \$10.1 billion as of June 30, 2015, \$12.8 billion as of June 30, 2014, \$11.6 billion as of June 30, 2013, \$10.6 billion as of June 30, 2012, and \$10.3 billion as of June 30, 2011. The Earnings Reserve Account balance in the Permanent Fund is available for appropriation with a majority vote of the Legislature [NOTE FROM CHIP: shouldn't we mention how much is in the Earnings Reserve Account of the Permanent Fund?], while appropriation of the Fund's principal balance requires amendment of the State Constitution. The balance of the Constitutional Budget Reserve Fund is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State borrows from the Constitutional Budget Reserve Fund when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the FY. See "Government Funds – The Constitutional Budget Reserve Fund" and "—The Alaska Permanent Fund."

Although not as significant, the State also has in the past received the earnings on the Statutory Budget Reserve Fund ("SBRF"). This fund had a balance of \$288 million as of June 30, 2015, \$2.8 billion as of June 30, 2014, and \$4.7 billion as of June 30, 2013. These earnings are considered General Fund unrestricted revenue and in October 2015 the remaining balance in the SBRF was transferred to the General Fund. See "Government Funds – The Statutory Budget Reserve Fund."

In addition to investment income from the above-described funds, the State receives investment income (including interest paid) from investment of other, unrestricted funds (\$47.9 million in FY 2015, \$130.2 million in FY 2014, \$28.1 million in FY 2013, \$107.8 million in FY 2012, and \$96.3 million in FY 2011). See "Government Funds."

Major Components of State Revenues. Table 2 summarizes the sources of unrestricted and restricted revenues available to the State in FYs 2006 through 2015.

Table 2

Total State Government Revenue by Major Component
FYs Ended June 30, 2006 – 2015
(\$ millions)

Revenue Source	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Unrestricted										
Oil Revenue.....	\$3,699.2	\$4,481.4	\$9,956.0	\$5,181.0	\$4,912.9	\$7,048.9	\$8,857.8	\$6,352.0	\$4,755.3	\$1,687.9
Non-Oil Revenue.....	447.9	537.1	544.4	402.6	414.0	527.7	519.6	548.4	508.5	521.5
Investment Earnings.....	53.3	140.1	248.8	247.6	184.0	96.3	107.8	28.1	130.2	47.9
Subtotal.....	\$4,200.4	\$5,158.6	\$10,749.1	\$5,831.2	\$5,513.3	\$7,672.9	\$9,485.2	\$6,928.5	\$5,394.0	\$2,257.3
Restricted										
Oil Revenue.....	\$659.7	\$660.3	\$1,332.1	\$888.2	\$1,281.2	\$1,041.2	\$1,062.5	\$1,036.1	\$934.4	\$670.5
Non-Oil Revenue.....	536.5	684.9	604.4	545.8	467.1	473.6	452.7	485.0	473.5	497.2
Investment Earnings.....	3,173.3	3,737.8	(1,483.5)	(6,894.5)	4,291.9	7,928.5	144.3	4,977.8	7,927.7	2,603.4
Federal Revenue.....	1,966.2	1,971.9	1,902.5	2,088.4	2,387.9	2,407.9	2,455.5	2,383.2	2,511.9	2,512.7
Subtotal.....	\$6,335.7	\$7,054.9	\$2,355.5	(\$3,372.1)	\$8,428.2	\$11,851.2	\$4,079.0	\$8,882.1	\$11,847.5	\$6,283.8
Total	\$10,536.1	\$12,213.5	\$13,083.7	\$2,459.1	\$13,940.9	\$19,524.2	\$13,564.2	\$15,810.6	\$17,241.5	\$8,541.1

Note: "Restricted Oil Revenue" includes oil revenue for NPR-A Rents, Royalties, and Bonuses shared by the Federal government. In FY 2015 this constituted \$3.2 million.

Source: State of Alaska Department of Revenue.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by its Constitution and statutes and also by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature.

Budgets. The State's FY begins on July 1 and ends on the following June 30 and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor is required by AS 37.07.020(a) to prepare statutorily conforming budgets for the succeeding fiscal year, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices and agencies of the State; a general appropriation bill to authorize proposed expenditures; and in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. The Governor's budget must be made public and submitted to the Legislature by December 15. In accordance with AS 37.07.020(b), the Governor also is required to prepare a six-year capital budget covering the succeeding six FYs and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills and fiscal plans, the Department of Revenue's Tax Division prepares forecasts of annual revenues in December and April of each year. See "Government Funds."

The State Constitution prohibits the withdrawal from the treasury of any funds, regardless of source, without an appropriation, and so the Governor's proposed budget and the Legislature's appropriation bills include federal and other funds as well as funds from the State. The Constitution also prohibits the dedication to a special purpose of the proceeds of "any State tax or license," with the exception of dedications required by federal law, mandated by the State's Constitution or in existence prior to statehood.

General Appropriations. The Governor is required by State law to submit the three budgets — an operating budget, a mental health budget and a capital budget — by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session, which then to go the House Finance Committee, are voted upon by the House of Representatives, then go to the Senate Finance Committee, are voted upon by the full Senate, may go to a conference committee to work out differences between the House and Senate versions (and then submitted to both bodies for final votes), then delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a “line-item veto”) or may sign the bill or permit the bill to become law without a signature or a veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each body of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each body in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the FY to deal with new or changed revenue receipts, to correct errors or for any other reason.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring freezes, lay-offs and furloughs and restrictions on non-core operating expenses. As described below, a number of General Fund operating and capital expenditures were limited or suspended in the fiscal year ending: June 30, 2016, and others are proposed for fiscal year 2017.

[Update].In response to diminished State revenue forecasts, Governor Walker proposed a reduction in unrestricted General Fund State spending of 9 percent for FY 2016. He has additionally issued an Administrative Order to limit or stop State spending on State “Mega Projects” including the Juneau Access road, the Knik Arm Crossing, the Susitna Hydroelectric project, a small diameter in-State gas pipeline project, and a proposed State road to the Ambler Mining District. These projects continue to be reviewed to determine if they warrant implementation.

The Legislature must appropriate to create the authority to expend General Fund revenue. If an expenditure of General Fund revenue is required mid-budget cycle, a special session of the Legislature would be required to provide the authority to make such expenditure.

Debt-Related Appropriations and Subject-to-Appropriation Obligation Appropriations. The Governor’s proposed appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State’s outstanding, voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State’s full faith and credit are pledged, moneys are appropriated from the General Fund and if necessary, from other funds, including the Permanent Fund to the Committee to make all required payments of principal, interest and redemption premium. For these full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

[update with current status of budget negotiations.]The Governor’s proposed appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, including various outstanding capital leases, lease-purchase financings, State-supported local-government debt for school construction and certain other limited projects and some State “moral obligation” debt. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund moneys available in other funds such as the Constitutional Budget Reserve Fund, the Power Cost Equalization Fund, unencumbered funds of the State’s public corporations and the Permanent Fund earnings reserves.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds or appropriations of funds received in trust from a non-State source for a specific purpose. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed \$2.5 billion by more than

the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For FY 2016, the appropriations limit was approximately \$10.3 billion.

Government Funds

Because the State is dependent upon taxes, royalties, fees and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. For FY 2015 revenue classified as restricted by custom for deposit in reserves exceeded unrestricted revenue by more than \$3.2 billion, an additional \$347 million of revenue was deposited into the Constitutional Budget Reserve Fund, and an additional \$518 million was deposited primarily into the Alaska Permanent Fund. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses “shall not be dedicated to any special purpose.” The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood and when restricted for savings in the Permanent Fund or Constitutional Budget Reserve Fund as required by constitutional amendment. State revenue restricted for deposit into the Permanent Fund and Constitutional Budget Reserve Fund is then only available for appropriation as prescribed by the constitutional provisions described below.

Current State funding options available on a statutory basis include unrestricted revenue of the General Fund, use of the earnings or the principal balance of the Statutory Budget Reserve Fund, borrowing restricted earnings revenue or principal balance from the Constitutional Budget Reserve Fund, use of the statutorily restricted royalty oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, either immediately, in the case of the Constitutional Budget Reserve Fund following a year-over-year revenue decline, or by a vote of the Legislature and with the approval of the Governor (by a three-fourths vote of each house in the case of appropriations from the Constitutional Budget Reserve Fund and by a simple majority vote in the case of appropriations from the Statutory Budget Reserve Fund and from the Permanent Fund Earnings Reserve).

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstating a State personal income tax or imposing other broad based statewide taxes. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

The General Fund. Unrestricted State revenue is annually deposited to the General Fund, which serves as the State’s primary operating fund and accounts for most of the State’s unrestricted financial resources. The State has, however, created more than 55 subfunds and “cash pools” within the General Fund to account for funds allocated to particular purposes or reserves, including the Constitutional Budget Reserve Fund; the Statutory Budget Reserve Fund, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the Constitutional Budget Reserve Fund and the Statutory Budget Reserve Fund (subfunds within the General Fund) are of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas dispute-related revenue be deposited to the Constitutional Budget Reserve Fund. The State Constitution provides that other than money required to be deposited to the Permanent Fund, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses or involving taxes imposed on mineral income, production or property, are required to be deposited in the Constitutional Budget Reserve Fund. Money in the Constitutional Budget Reserve Fund may be appropriated (i) for any public purpose, upon the affirmative vote of three-fourths of the members of each house of the Legislature; or (ii) if the amount available to the State for appropriation for a FY is less than the amount appropriated for the previous FY; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous FY. The State Constitution also provides that until the amount appropriated from the Constitutional Budget Reserve Fund is repaid, excess money in the General Fund at the end of each FY must be deposited in the Constitutional Budget Reserve Fund.

The State historically has borrowed from the Constitutional Budget Reserve Fund as part of its cash management plan to address timing mismatches between revenues and disbursements within a FY and also to balance the budget when necessary at the end of the FY. Prior to draws in current FY 2016, the Legislature had last appropriated funds from the Constitutional Budget Reserve Fund in FY 2005. As of June 30, 2009, the balance owed by the General Fund to the Constitutional Budget Reserve Fund for draws prior to 2005 was completely repaid.

The balance in the Constitutional Budget Reserve Fund as of June 30, 2013 was \$11.6 billion. The balance in the Constitutional Budget Reserve Fund as of June 30, 2014 was \$12.8 billion, with earnings of \$1.0 billion. The balance in the Constitutional Budget Reserve Fund as of June 30, 2015 was \$10.1 billion, with earnings of \$197.7 million.

The Statutory Budget Reserve Fund. The Statutory Budget Reserve Fund has existed in the State's accounting structure since 1986. The Statutory Budget Reserve Fund is available for use for legal purposes with a simple majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in the FY is insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund was appropriated from the Statutory Budget Reserve Fund to the General Fund. For FY 2015, this resulted in a year-end transfer from the Statutory Budget Reserve Fund to the General Fund of \$2.5 billion. As of June 30, 2015, the Statutory Budget Reserve Fund held \$288 million. The market value of the Statutory Budget Reserve Fund as of October 31, 2015 was zero. Any earnings on the Statutory Budget Reserve Fund are considered unrestricted investment revenue and flow to the General Fund. Current FY market values and stated returns are unaudited, preliminary, and include some estimates.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved Constitutional amendment that took effect February 21, 1977. The amendment provides that "at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments" and that "all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law."

In 1980, legislation was enacted that provided for the management of the Alaska Permanent Fund by the Alaska Permanent Fund Corporation, a public corporation and government instrumentality within the DOR, managed by a board of trustees. The statutory contribution rate to the Permanent Fund is 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. For FY 2015, State oil and mineral revenues deposited into the Permanent Fund were \$600 million compared to \$779 million in FY 2014. The Legislature has made special appropriations from the State's General Fund to the Permanent Fund several times, totaling approximately \$2.7 billion as of June 30, 2015.

The Permanent Fund tracks earnings on a GASB compliant basis in the compilation of the financial statements of the Fund. However earnings available for appropriation from the fund are established by statute and include only realized earnings less various adjustments, but no unrealized earnings. This statutory framework results in both an understatement of income on a mark to market basis for the fund, as well as a lower balance in the Permanent Fund Earnings Reserve as currently calculated relative to a GASB compliant calculation of earnings.

Annual appropriations are made from the earnings reserve of the Permanent Fund, first for dividends, and then for inflation-proofing. Between 1982 and 2015, \$23 billion of dividends (\$2,072 per person in FY 2015) were paid to Alaska residents and \$16.2 billion of Permanent Fund income has been added to principal for inflation proofing purposes (for FY 2015 the inflation proofing transfer was \$624 million, up from the FY 2014 amount of \$546 million). In addition to the statutorily directed inflation proofing transfers, the Legislature has made special appropriations from the earnings reserve account of the Permanent Fund to the principal balance of the Permanent Fund, totaling approximately \$4.2 billion as of June 30, 2015.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund's earnings reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund (\$45.6 billion as of June 30, 2015, up from \$45.0 billion as of June 30, 2014) may not be spent without amending the State Constitution. The earnings reserve portion of the Permanent Fund (\$7.2 billion as of June 30, 2015, up from \$6.2 billion as of June 30, 2014) may be spent with a simple majority vote of the Legislature. The Permanent Fund was valued at approximately \$52.8 billion as of June 30, 2015.

The settlement earnings from North Slope royalty cases deposited to the Permanent Fund have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. Funds in the Alaska Capital Income Fund and interest thereon (approximately \$24.0 million in FY 2015) are unrestricted and have been appropriated for capital expenditures.

Table 3

State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
FYs Ended June 30, 2004-2015
(\$ millions)

FY	General Purpose Unrestricted Revenue (1)	Recurring & Discretionary General Fund Expenditures (2)	Surplus/ (Deficit)	Net Draw on CBRF (3)	CBRF Available Balance (4)	Perm. Fund Earnings Reserve
2004	\$2,346	\$2,319	\$26	\$0	\$2,064.2	\$859.3
2005	3,189	2,646	543	0	2,235.7	1,439.9
2006	4,200	3,247	953	0	2,267.1	2,584.8
2007	5,159	4,272	886	0	2,549.0	4,132.0
2008	10,749	5,473	5,256	0	5,601.0	4,969.0
2009	5,831	6,000	(169)	0	7,114.4	440.6
2010	5,515	4,995	520	0	8,664.0	1,209.8
2011	7,673	6,355	1,318	0	10,330.0	2,307.8
2012	9,485	7,252	2,233	0	10,642.4	2,080.6
2013	6,929	7,455	(526)	0	11,564.4	4,053.8
2014	5,394	7,314	(1,920)	0	12,779.7	6,211.3
2015	2,257	4,760	(2,503)	(2,876)	10,101.4	7,162.4

(1) State of Alaska Department of Revenue, Tax Division.

(2) Excludes amounts set-aside to fund programs and reserve deposits. State of Alaska Office of Management & Budget.

(3) Net draws differ from borrowing reported in the State's financial statements due to restricted revenue and cash accounting impact.

(4) CBRF available balance represents the market value of the Constitutional Budget Reserve Fund.

Source: State of Alaska Department of Revenue

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates a school debt and capital project debt reimbursement program. These programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for general obligation bonds of State agencies and political subdivisions.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the State Bond Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose.

The following other debt and debt programs of the State were outstanding as of June 30, 2015, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation for the purpose of purchasing mortgage loans made for residences of qualifying veterans.

State Supported Debt. State supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State supported debt is not considered “debt” under the State Constitution, because the State’s payments on this debt are subject to annual appropriation by the Legislature. Voter approval of such debt is not required. State supported debt includes lease-purchase financing obligations (including lease revenue capital lease bonds and certificates of participation issued by lessors of facilities used by the State) and the share of municipal general obligation bonds issued for school construction and other capital projects that is reimbursable by the State on a subject to appropriation basis.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund benefited by a discretionary replenishment provision that permits, but does not legally obligate, the Legislature to appropriate to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). State moral obligation debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue State moral obligation debt are: Alaska Aerospace Development Corporation (“AADC”) which has not issued any debt; Alaska Energy Authority (“AEA”); Alaska Housing Finance Corporation (“AHFC”); Alaska Industrial Development and Export Authority (“AIDEA”); the Authority; and Alaska Student Loan Corporation (“ASLC”).

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State or of the University and does not require voter approval. This type of debt includes Sportfish Revenue Bonds, International Airports Revenue Bonds, various University Revenue Bonds and Notes and Toll Facilities Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees, or moral obligation pledges.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt.

Through the Alaska Pension Obligation Bond Corporation, the State is authorized to issue up to \$5,000 million of bonds and/or enter into contracts to finance the payment by governmental employers of their share of the unfunded accrued actuarial liabilities (“UAALs”) of the retirement systems.

Summary of Outstanding Debt. Table 4 lists, by type, the outstanding State-related debt as of June 30, 2015. There have been no general obligation bonds issued by the State since June 30, 2015. Other categories of debt have not been compiled beyond June 30, 2015. [update]

Table 4
State of Alaska Debt and State-Related Debt by Type
as of June 30, 2015
(\$ in millions)

	Principal Outstanding	Interest to Maturity	Total Debt Service to Maturity
State Debt			
State of Alaska General Obligation Bonds	\$753.8	\$274.0	\$1,027.8
State Supported Debt			
Lease-Purchase Financings	30.8	11.5	42.3
State Reimbursement of Municipal School Debt Service	859.4	300.6	1,196.0
State Reimbursement of Capital Projects	35.8	14.7	50.5
Capital Leases	244.0	121.1	365.1
Total State Supported Debt	1,206.0	447.0	1,653.9
State Guaranteed Debt			
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans' Mortgage Program)	56.9	37.7	94.6
State Moral Obligation Debt			
Alaska Municipal Bond Bank Authority: 1976, 2005 & 2010 General Resolution General Obligation Bonds	940.9	471.2	1,412.1
Alaska Energy Authority: Power Revenue Bonds #1 through #5	71.2	14.1	85.3
Alaska Student Loan Corporation Student Loan Revenue Bonds	68.2	4.6	72.8
Education Loan Backed Notes	120.1	1.7	121.8
Student Capital Project Revenue Bonds	0.0	0.0	0.0
Total State Moral Obligation Debt	1,200.4	491.6	1,692.0
State Revenue Debt			
Sportfish Revenue Bonds	31.3	7.6	38.9
International Airports Revenue Bonds	487.3	215.5	702.8
University of Alaska Debt			
University of Alaska Revenue Bonds	132.2	41.2	173.4
University Lease Liability and Notes Payable	41.0	18.4	59.4
Installment Contracts	1.2	0.1	1.3
Total University of Alaska Debt	174.4	59.7	234.1
Total State Revenue and University Debt	693.0	275.2	968.2
State Agency Debt			
Alaska Housing Finance Corporation Commercial Paper	16.9	N/A	16.9
Alaska Municipal Bond Bank Authority Coastal Energy Loan Bonds	10.4	2.4	12.8
Alaska Railroad	119.9	19.9	139.8
Northern Tobacco Securitization Corporation 2006 Tobacco Settlement Asset-Backed Bonds	346.6	394.9	741.5
Total State Agency Debt	493.8	417.2	911.0
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation Collateralized Home Mortgage Bonds & Mortgage Revenue Bonds:			
2002 Through 2011 (First Time Homebuyer Program)	852.5	477.6	1,330.1
General Mortgage Revenue Bonds 2012	129.1	67.4	196.5
Government Purpose Bonds 1997 & 2001	128.2	33.9	162.1
State Capital Project Bonds, 2002-2011	202.2	76.3	278.5
State Capital Project Bonds, II 2012-2014	771.4	300.9	1,072.3
Alaska Industrial Development and Export Authority Revolving Fund and Refunding Revolving Fund Bonds	64.7	21.8	86.5
Power Revenue Bonds, First Series (Snettisham Hydro Project)	70.0	42.5	112.5
Total State Agency Collateralized or Insured Debt	2,218.1	1,020.4	3,238.5
Total State and State Agency Debt	6,622.0		
Municipal Debt			
School G.O. Debt	1,299.4	\$ N/A	\$ N/A
Other G.O. Debt	1,095.5	N/A	N/A
Revenue Debt	954.3	N/A	N/A
Total Municipal Debt	3,349.2		
Less: State Reimbursable School Debt Reported by Municipalities [NOTE FROM CHIP: Need to determine difference between two highlighted numbers]	-1,175.2		
Less: Alaska Municipal Bond Bank Authority Debt included in Municipal Debt	-927.7		
	1,246.3		
Total Alaska Public Debt (2)	\$7,868.3		

(1) University debt owed to AHFC is double counted in detail, but eliminated from Total Alaska Public Debt.

(2) Reimbursable school G.O. debt is included in "State Supported Debt"; Capital Leases are included in "State Agency Collateralized or Insured Debt and Municipal Debt"; State Reimbursement of Capital Projects is included in "University and Municipal Debt."

Sources: Annual reports and financial statements of AHFC, AMBB, AIDEA, AEA, University of Alaska, Alaska Railroad, and directly from agencies.

Payment History. The State has never defaulted on its bond obligations nor has it ever failed to appropriate funds for any outstanding securitized lease obligations.

State Debt Capacity. The State has historically used the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State's relatively small population and high per capita revenue due to oil resource-generated revenue. Historically the State's policy has been that debt service should not exceed five percent of unrestricted revenue when considering only general obligation bonds and certificates of participation that are State supported. More recently, the State has included more discretionary General Fund supported obligations and programs, including the School Debt Reimbursement Program, the Capital Project Reimbursement Program and certain capital leases. With the more inclusive funding, the State's policy allows the annual payments on these items to range up to eight percent of unrestricted revenue. [NOTE FROM CHIP: Should mention the moratorium on new School Debt Reimbursement bonds]

SUMMARY OF THE 2016 MASTER RESOLUTION

The following is a summary of certain provisions of the 2016 Master Resolution. A copy of the 2016 Master Resolution, together with the Series Resolution for the Series 2016A Bonds, are included in Appendix D. Capitalized terms used in this summary are defined in Section 103 of the 2016 Master Resolution.

2016 Master Resolution Constitutes Contract

The 2016 Master Resolution provides that the Resolution constitutes a contract between the Authority and the Trustee, Credit Facility Providers and Owners from time to time of the Bonds. The pledge hereof and the provisions, covenants and agreements set forth in the 2016 Master Resolution to be performed by or on behalf of the Authority shall be for the benefit, protection and security of the Owners of any and all of such Bonds, Credit Facility Providers, if any and Reserve Fund Credit Facility Providers, if any. Each Bond, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other Bond, except as expressly provided in the 2016 Master Resolution.

Obligation of the Authority

The Bonds are direct and general obligations of the Authority, and the full faith and credit of the Authority are pledged for the payment of the principal or Accreted Value of, and redemption premium, if any, interest on the Bonds solely from the sources provided in the 2016 Master Resolution and any Series Resolution. The Act and the Resolutions each provide that the State is not obligated to pay the principal, Accreted Value, premium, if any, or interest on the Bonds, and that the Bonds, are not a debt or liability of the State and neither the faith and credit of the State nor the taxing power of the State is pledged to the payment of the principal or Accreted Value of, premium, if any, or interest on the Bonds.

Pledge

The Borrower Bonds and the Borrower Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 2016 Master Resolution the Series Resolution to be held by the Trustee are pledged and assigned to the Trustee *first*, for the benefit of the Owners of the Bonds and Credit Facility Providers, to secure the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds and any Credit Facility Reimbursement Obligations; *second*, for the benefit of Reserve Fund Credit Facility Providers to secure the payment of amounts required to reimburse such Reserve Fund Credit Facility Providers for amounts drawn under Reserve Fund Credit Facilities; and *third*, for the benefit of owners of Subordinate Obligations, including without limitation, to secure the payment to Credit Facility Providers of amounts other than Credit Facility Reimbursement Obligations and to secure payments to Reserve Fund Credit Facility Providers of amounts other than payments of Reimbursement Obligations; in each case in accordance with the terms and provisions of the 2016 Master Resolution and applicable Series Resolutions and subject only to the lien of the Trustee to the extent provided in Section 805 and subject to other provisions of the 2016 Master Resolution and Series Resolutions permitting the application of proceeds for the purposes and on the terms and conditions set forth

therein. This pledge shall be valid and binding from and after the date of adoption of the 2016 Master Resolution, and the Borrower Bonds and the Borrower Payments and all other monies and securities in the funds and accounts established by the 2016 Master Resolution and Series Resolutions (other than any Rebate Fund) to be held by the Trustee hereby pledged shall immediately be subject to the lien of such pledge without any further act, and such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, regardless of whether such parties have notice thereof.

Power to Issue Bonds and Make Pledges

The Authority covenants in the 2016 Master Resolution that it is duly authorized by law to issue the Bonds and to pledge the Borrower Payments, the Borrower Bonds and other money, securities, funds and property purported to be pledged and assigned pursuant to the 2016 Master Resolution, free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the 2016 Master Resolution, except for the lien in favor of the Trustee as provided in the 2016 Master Resolution. The Authority also covenants that it will at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment of the Borrower Payments, the Borrower Bonds and other money, securities, funds and property pledged and assigned under the 2016 Master Resolution and all the rights of the Bondholders under the 2016 Master Resolution against all claims and demands of all persons whomsoever.

General

The Authority covenants that it will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under State law and the 2016 Master Resolution in accordance with the terms thereof.

The Act provides that the State will not limit or restrict, and the Authority pledges and agrees with the Holders of the Bonds that it will not cause the State to limit or alter, the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Bondholders, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

Loan Agreement Provisions

The 2016 Master Resolution provides that no Loan will be made by the Authority from proceeds of the sale of Bonds and no Bonds will be issued for the purpose of providing funds with which to make a Loan, unless the Loan Agreement under which such loan is to be made will comply with , and no Bonds shall be issued by the Authority to fund notes or to issue Refunding Bonds unless the Loan Agreement under which the Loan was made from the proceeds of such notes or Bonds, also complies with, the following terms, conditions, provisions and limitations:

- (a) The Borrower that is a party to such Loan agreement must be a Borrower as defined by the 2016 Master Resolution, and each of the Borrower and the Authority must be authorized to enter into the Loan Agreement under applicable State law;
- (b) The Borrower, prior to or simultaneously with the issuance of the related Bonds, will execute and deliver a Loan Agreement and will issue and deliver a Borrower Bond or Bonds, together with (1) such additional security or assignments as may be required by the Authority and (2) an opinion of such Borrower's counsel to the effect that each of the Loan Agreement and such Borrower Bond or Bonds (and the grant, pledge or assignment of such additional security, if any) has been duly authorized and executed by the Borrower and that each is a valid and binding obligation of the Borrower as required by the Act;
- (c) The Borrower Interest Payments to be made by the Borrower under such Loan Agreement are not less than the interest payments the Authority is required to make on the Loan Obligation, and Loan Obligation payments are scheduled to be paid by the Authority in such manner and at such times

(notwithstanding the dates of payment as stated in the Borrower Bonds) as to provide funds sufficient to pay interest on the Loan Obligation as the same becomes due;

(d) The Borrower Principal Payments to be made by the Borrower under such Loan Agreement will be scheduled by the Authority to be paid in such manner and at such times (notwithstanding the dates of payment as stated in the Borrower Bonds) as to provide funds sufficient to pay the principal or Accreted Value of the Loan Obligation as the same matures or is required to be prepaid or redeemed;

(e) The Borrower will be obligated to pay Fees and Charges to the Authority at the times and in the amounts that will enable the Authority to comply with the provisions of Section 908;

(f) If the Borrower is a "public body" as defined in the Act, the Borrower will agree that in the event the amounts referred to in paragraphs (c) and (d) are not paid by it to the Authority on or before the times specified in the Loan Agreement, any money payable to the Borrower by any department or agency of the State will be withheld from such Borrower and paid over directly to the Trustee and that such agreement will be full warrant, authority and direction to any official of the State responsible for such payment to make such payment upon notice to such official by the Authority as provided in the Act;

(g) The Authority will not sell and the Borrower will not redeem prior to maturity any of the related Borrower Bonds in an amount greater than the redeemable portion of the Outstanding Bonds issued to make such Loan and in the event of any such sale or redemption of such Borrower Bonds, the principal amount or Accreted Value of Borrower Bonds sold or redeemed will be not less than the aggregate of (i) the principal amount or Accreted Value of the Loan Obligation to be redeemed, (ii) the interest to accrue on the Loan Obligation to be sold or redeemed to the date fixed for redemption or sale, (iii) the applicable premium, if any, payable on the Loan Obligation to be redeemed, and (iv) the Authority's costs and expenses in effecting the redemption of the Loan Obligation to be redeemed; provided, however, that in the event the Loan Obligation has been or is being refunded and the Refunding Bonds therefor were or are being issued in a principal amount in excess of or less than the Loan Obligation remaining unpaid at the date of issuance of such Refunding Bonds, the amount the Borrower will be obligated to pay or the Authority will receive under item (i) above will be the principal amount of such Refunding Bonds Outstanding. In the event the Loan Obligation has been (or is being) refunded and the interest the Authority is required to pay on the Refunding Bonds therefor is less than the interest that the Authority was required to pay on the Loan Obligation, the amount which the Borrower will be obligated to pay or the Authority will receive under item (ii) above will be the amount of interest to accrue on such Refunding Bonds Outstanding.

(h) Unless the Authority agrees to a shorter period, the Borrower will give the Authority at least fifty (50) days' notice of the Borrower's intention to redeem its Borrower Bonds.

Modification of Loan Agreement Terms

The Authority covenants that it will not consent to the modification of, or modify, the rates of interest on, or the amount or time of payment of any installment of principal of or interest on, any Borrower Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Borrower Bonds evidencing the same, in a manner that adversely affects or diminishes the rights of the Bondholders.

Enforcement of Borrower Bonds

The 2016 Master Resolution also provides that the Authority will diligently enforce, and will take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions in all Loan Agreements and in the Borrower Bonds evidencing Loans made by the Authority, including in the case of a Borrower that is a public body as defined in the Act, the prompt collection, and the giving of notice to the Commissioner or other officer of each department or agency of the State that is custodian of any money payable to such Borrower of any failure or default of the Borrower in the payment of its Borrower Payment and will promptly transfer any such monies, upon receipt thereof, to the Trustee and, in such event, or if such monies are paid directly

to the Trustee, the Trustee will deposit any such monies in the Principal Account and Interest Account in place of said unpaid Borrower Payment or in the event deficiencies in said Accounts created by such default will have been made up by the Reserve Fund pursuant to paragraph (5) of Section 603, in the Reserve Fund to the extent of such deficiencies. In the case of a Borrower that is not a public body as defined in the Act but receives grants from the State or any public body of the State, the Authority will notify the appropriate officer of the agency or other public body that provides or administers such grant(s) and seek to eliminate such grant.

Funds and Accounts

The 2016 Master Resolution established (1) a Debt Service Fund, consisting of an Interest Account, a Principal Account and a Redemption Account; (2) a Reserve Fund; (3) a Rebate Fund, which consists of a separate sub-account for each Series of Bonds; and (4) an Operating Account. The Debt Service Fund, the Rebate Fund and the Reserve Fund are held by the Trustee. The Operating Account is held by the Authority and is not pledged to the payment of the Bonds.

Debt Service Fund. Except as otherwise provided in the 2016 Master Resolution, the Trustee will deposit Borrower Interest Payments and any other monies available for the payment of interest in the Interest Account upon receipt thereof. The Trustee will, on or before each Interest Payment Date and on each date fixed for redemption, withdraw from the Interest Account and pay, or provide for the payment of, interest then due on the Bonds, and such amounts so withdrawn are in the 2016 Master Resolution irrevocably pledged for and will be applied to the payment of such interest.

The Trustee will deposit Borrower Principal Payments and any other monies available for the payment of principal or Accreted Value in the Principal Account, upon receipt thereof. On or before each principal payment date for Outstanding Bonds, including any mandatory sinking fund redemption date for term Bonds, the Trustee will, on or before each principal payment date or mandatory sinking fund redemption date, for the Bonds, pay or provide for the payment, the principal or Accreted Value then due, whether at maturity or upon mandatory sinking fund redemption, and such amounts so withdrawn are in the 2016 Master Resolution irrevocably pledged for and will be applied to the payment of such principal, Accreted Value and mandatory sinking fund redemption payments.

The Trustee will establish in the Redemption Account a separate sub-account for each Series of Bonds outstanding. Any monies deposited into the Redemption Account from any source other than pursuant to Section 913 of the 2016 Master Resolution shall be applied to the purchase or redemption of Bonds in a manner to be determined by the Authority in accordance with Article IV of the Master Resolution.

Reserve Fund. The 2016 Master Resolution established the Reserve Fund as a 2016 Master Obligation Bond Resolution Reserve Account within the Alaska Municipal Bond Bank Authority Reserve Fund created by the Act and provides that monthly, the Trustee will set aside from amounts in the Reserve Fund derived from Borrower Payments, and if such Borrower Payments are not sufficient, then from investment earnings and profits realized by the Reserve Fund due to investments thereof, an amount that, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such date be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month.

On or before each date on which the principal or Accreted Value of Authority Reserve Fund Obligations is due, either at maturity or on a mandatory sinking fund redemption date, the Trustee will withdraw from amounts in the Reserve Fund and deposit in the Principal Account, an amount that, when added to the amount then on deposit in the Principal Account and derived from sources other than Borrower Payments, will be equal to the principal amount of the Authority Reserve Fund Obligations due on such date.

On or before June 30 of each year, after satisfying the deposit requirements set forth above and in addition to withdrawals permitted in the 2016 Master Resolution, the Trustee is to withdraw from the Reserve Fund any amount remaining therein derived from investment earnings or profits due to investments thereof, and pay over said amount to the Authority for deposit in the Custodian Account within the Operating Account, but only to the extent that there remains after such withdrawal an amount in the Reserve Fund, including the face amount of Reserve Fund Credit Facilities, at least equal to the Required Debt Service Reserve.

The 2016 Master Resolution provides that the Authority will pay into the Reserve Fund (a) money made available by the State and paid or delivered by the State for the purpose of the Alaska Municipal Bond Bank Authority Reserve Fund created by the Act in the amount provided by a Series Resolution; (b) all money paid to the Authority pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Reserve Fund Requirement; (c) such portion of the proceeds of sale of Bonds, if any, as will be provided by any Series Resolution; (d) one or more Reserve Fund Credit Facilities; (e) moneys transferred by the Authority from the Authority's custodian account, Reserve Fund Credit Facilities or Operating Account; (f) any other money which may be made available to the Authority for deposit to the Reserve Fund from any other source or sources; or (g) any combination of the foregoing. The Reserve Fund Requirement may be satisfied entirely, or in part, by Reserve Fund Credit Facilities as provided in the 2016 Master Resolution.

In the event there will be a deficiency in the Interest Account or in the Principal Account, the Trustee is to make up such deficiencies from the Reserve Fund.

Administration of Reserve Fund. The 2016 Master Resolution provides that money and securities held in the Reserve Fund will not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Reserve Fund Requirement except for the payment when due of debt service on Reserve Fund Obligations and to cure a deficiency in the Principal Account or the Interest Account.

Rebate Fund. All amounts held in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the 2016 Master Resolution.

Operating Account. The 2016 Master Resolution requires the deposit to the Operating Account within the Operating Account of all Fees and Charges, to the extent not otherwise encumbered or pledged, and any other money which may be made available to the Authority therefor from any other source or sources. Money at any time held for the credit of the Operating Account is to be used for and applied solely to the following purposes: (a) to pay the Administrative Expenses of the Authority; (b) to pay the fees and expenses of the Trustee and any Paying Agent; (c) to pay financing costs incurred with respect to Bonds of a Series, including payments related to Reserve Obligations ad/or costs, not paid from other sources, of obtaining Credit Facilities and Reserve Fund Credit Facilities; and (d) to pay any expenses or costs incurred in carrying out any other purpose then authorized by the Act.

The Operating Account is held by the Authority, not by the Trustee, and the 2016 Master Resolution provides that all amounts in the Operating Account will be free and clear of any lien or pledge created by the 2016 Master Resolution.

Security for Deposits and Investment of Funds

The 2016 Master Resolution provides that all money held by the Trustee will be continuously and fully secured, for the benefit of the Authority and the Bondholders and any Credit Facility Providers and Reserve Fund Credit Facility Providers in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds but does not require the Trustee and any paying agent to give security for the deposit of any money with them held in trust for the payment of the principal or Accreted Value of, premium, if any, and interest on any Bonds, or for the Trustee to give security for any money represented by obligations purchased as an investment of such money. The 2016 Master Resolution also provides for the investment of funds held by the Trustee. See the definition of "Investment Securities" and Sections 702 and 703 of the 2016 Master Resolution in Appendix D.

Payment of Bonds

The Authority covenants in the 2016 Master Resolution that it will duly and punctually pay or cause to be paid when due the principal or Accreted Value of, and premium, if any, of every Outstanding Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

Fees and Charges

The Authority may charge such Fees and Charges to each Borrower to which a Loan is made, and will revise such Fees and Charges if necessary, so that such Fees and Charges actually collected from each such Borrower will at all times produce money that, together with such Borrower's Allocable Proportion of other money available under the provisions of the 2016 Master Resolution, and other money available therefor, will be at least sufficient to pay, as the same become due, the Borrower's Allocable Proportion of the Administrative Expenses of the Authority and of the fees and expenses of the Trustee and any Paying Agent and other Fees and Charges.

Issuance of Additional Obligations

The Authority may issue additional Bonds and refunding Bonds pursuant to the terms of the 2016 Master Resolution; however, no additional series of Bonds are to be issued unless:

- (a) The aggregate principal amount of Bonds and notes of the Authority outstanding at the time of issuance and delivery of such Additional Bonds, including the principal amount or Accreted Value of such Additional Bonds, will not exceed any limit thereon imposed by law;
- (b) At the time of the issuance of such Additional Bonds, no deficiency exists in the amounts required by the 2016 Master Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund (unless such deficiency will be cured by depositing proceeds of the Bonds being issued);
- (c) The amount of the Reserve Fund, upon the issuance and delivery of such Additional Bonds and the deposit in the Reserve Fund of any amount or Reserve Fund Surety Policy provided therefor in the Series Resolution authorizing the issuance of such Additional Bonds, shall not be less than the Required Debt Service Reserve; and
- (d) The annual Debt Service scheduled to be paid on the Additional Bonds then being issued representing Loan Obligations shall not be more than the scheduled Borrower Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued.

The Authority expressly reserves the right to adopt other general bond resolutions and reserves the right to issue notes and any other obligations so long as the same are not a charge or lien on the Borrower Bonds, the Borrower Payments and the Fees and Charges or payable from the Debt Service Fund or the Reserve Fund.

Defeasance

Bonds of any Series or a portion thereof may be paid by the Authority in any of the following ways:

- (A) by paying or causing to be paid the principal and Accreted Value of, premium, if any, and interest on such Outstanding Bonds, as and when they become due and payable;
- (B) by depositing with the Trustee, an escrow agent or other Fiduciary, in trust, at or before maturity, money or Government Obligations in the necessary amount (as provided in Section 1303 of the 2016 Master Resolution) to pay or redeem such Outstanding Bonds; or
- (C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Authority pays Outstanding Bonds of all Series and also pays or cause to be paid all other sums payable and to be payable hereunder and under any Credit Facility Reimbursement Obligations, Reserve Facility Reimbursement Obligations and all other obligations under the 2016 Master Resolution and each Series Resolution, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the 2016 Master Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, the 2016 Master

Resolution and the pledge and assignments made under the 2016 Master Resolution and all covenants, agreements and other obligations of the Authority under the 2016 Master Resolution shall cease, terminate, become void and be completely discharged and satisfied.

Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 1303 of the Master Resolution) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the date fixed for redemption of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, provided that the Owner thereof shall thereafter be entitled to the payment of the principal or Accreted Value of and premium, if any, and interest on the Bonds, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

If the principal or Accreted Value of or interest on all or a portion of Bonds of a Series have been paid by a Credit Facility Provider pursuant to a Credit Facility, the obligations of the Authority shall not be deemed to be satisfied or considered paid by the Authority by virtue of such payments and shall remain Outstanding, and the right, title and interest of the Authority and the obligations of the Authority hereunder shall not be discharged and shall continue to exist and to run to the benefit of such Credit Facility Provider and such Credit Facility Provider shall be subrogated to the rights of the Owners of the applicable Bonds of such Series.

Any moneys held by the Trustee in trust for the payment of the principal or Accreted Value of, premium, if any, or interest on any Bond and remaining unclaimed for one (1) year after such amount has become due and payable (whether at maturity or upon proceedings for redemption as provided in the 2016 Master Resolution), if such moneys were so held at such date, or one (1) year after the date of deposit of such amount for any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Authority free from the trusts created by the 2016 Master Resolution, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, Trustee complies with the 2016 Master Resolution requirements therefor.

Supplements and Amendments

The Authority may adopt a Series Resolution or Supplemental Resolution without the consent of the Bondholders or the Trustee for various purposes not inconsistent with the 2016 Master Resolution, to provide for the issuance of Additional Bonds; to accommodate Credit Facilities, Liquidity Facilities and Reserve Fund Credit Facilities, provided that such modifications or adjustments do not materially adversely affect the security for payment of Outstanding Bonds; to provide for the appointment of a remarketing agent, a tender agent and/or a paying agent or escrow agent in connection with Bonds of any Series; to provide for the issuance or incurrence, as applicable, of Build America bonds or similar federal program obligations, Capital Appreciation Bonds, Original Issue Discount Bonds or Reserve Fund Obligations; to provide for the conversion of Capital Appreciation Bonds or Original Discount Bonds to Current Interest Bonds; to cure any ambiguity or defect or clarify inconsistent provision in the 2016 Master Resolution or in one or more Series Resolutions or Supplemental Resolutions, provided that such modifications do not materially and adversely affect the security for the payment of Outstanding Bonds; to add other covenants and agreements of the Authority; to pledge or assign additional security for the Bonds of one or more Series (or any portion thereof) or to surrender any right or power reserved to or conferred upon the Authority; to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority; to make such provisions as are necessary or appropriate to ensure or to maintain the exclusion of interest on Bonds of a Series from gross income for federal income tax purposes; to provide for the issuance of Bonds of a Series in or eliminate book-entry form or bearer form; to qualify the 2016 Master Resolution under the Trust Indenture Act of 1939, as amended, or to comply with the provisions of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in each case provided that such provisions do not materially adversely affect the security for the payment of the Outstanding Bonds; to confirm as further assurance any pledge

under and the subjection to any lien, claim or pledge; to obtain or maintain a rating for Bonds of any Series; for any other purpose that does not materially and adversely affect the security for payment of Outstanding Bonds.

Any other modification or amendment of the 2016 Master Resolution and of the rights and obligations of the Authority and of the Bondholders may be made with the written consent of at least a majority in aggregate principal amount or Accreted Value of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount or Accreted Value of the Bonds of each Series so affected and then Outstanding; provided, however, that in each case without the specific consent of the Owner of each Outstanding Bond, no such modification or amendment shall (1) permit the creation of any lien prior to or on a parity with the lien created by the 2016 Master Resolution or any Supplemental Resolution (except as otherwise permitted by the 2016 Master Resolution), or deprive the Owners of Outstanding Bonds of the lien created by the 2016 Master Resolution or permit the creation of a charge or lien on moneys and other assets pledged to the payment of the Outstanding Bonds superior to the pledge, charge and lien granted for the payment of the Outstanding Bonds; or (2) reduce the percentage of the principal amount or Accreted Value of Bonds the Owners of which are required to consent to any Supplemental Resolution; or (3) give to any Bonds any preference over any other Bond. In addition, without the specific consent of each Owner so affected, no such modification shall (i) change the date of payment of the principal or Accreted Value of any Outstanding Bond (except as permitted in connection with conversions and mandatory tenders); (ii) reduce the principal amount or Accreted Value of any Outstanding Bond; (iii) change the interest rate on Outstanding Bonds (other than as provided for Variable Rate Bonds or convertible Capital Appreciation Bonds); or (iv) extend the time of payment of interest on Outstanding Bonds; (v) reduce any premium payable upon the redemption or prepayment thereof; or (vi) advance the date upon which any Outstanding Bond may first be redeemed.

See Articles X and XI and the definition of "Bondholder" in the 2016 Master Resolution and Section 202 of the Supplemental Resolution in Appendix D.

Events of Default and Remedies

Each of the following events is an Event of Default under the 2016 Master Resolution:

- (a) The Authority shall default in the payment of the principal or Accreted Value of or the premium, if any, of or the interest on, any Outstanding Bond when and as the same shall become due whether at maturity or on the date fixed for mandatory redemption or otherwise; or
- (b) The Authority shall fail or refuse to comply with the provisions of Section 44.85.270(g) of the Act; or
- (c) The Authority shall fail or refuse to comply with the provisions of the Act, other than as provided in (b) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in the 2016 Master Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained (other than, in each case, a failure to perform any covenant made in or in connection with a continuing disclosure agreement, which failure shall not constitute a default or an Event of Default), and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Owners of not less than twenty-five per centum (25%) in aggregate principal amount or Accreted Value of the Outstanding Bonds;

Provided, however, that an event of default will not be deemed to exist under the provisions described in clause (c) above upon the failure of the Authority to make and collect Fees and Charges required to be made and collected by the 2016 Master Resolution or upon the failure of the Authority to enforce any obligation undertaken by a Borrower pursuant to a Loan Agreement including the making of the stipulated Borrower Payments so long as the Authority may be otherwise directed by law and so long as the Authority will be provided with money from the State or otherwise, sufficient in amount to pay the principal or Accreted Value of and interest on all Outstanding Bonds as the same will become due during the period for which the Authority will be directed by law to abstain from making

and collecting such Fees and Charges and from enforcing the obligations of a Borrower under the applicable Loan Agreement.

The 2016 Master Resolution provides that upon the happening and continuance of any event of default described in paragraph (a) above, the Trustee will proceed, or upon the happening and continuance of any event of default described in paragraphs (b) and (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent in principal amount or Accreted Value of the Outstanding Bonds will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

- (a) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Authority to make and collect Fees and Charges and Borrower Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Borrower Bonds Payments, and other properties and to require the Authority to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;
- (b) by bringing suit upon the Bonds;
- (c) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the holders of the Bonds;
- (d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds.

Acceleration. The 2016 Master Resolution provides that upon the occurrence of an event of default in the payment of principal of and interest on Bonds then Outstanding, the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding will, declare the principal or Accreted Value of all the Outstanding Bonds, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will be immediately due and payable. This provision, however, is subject to the condition that if before any judgment or decree for the payment of the money due will have been obtained or entered, the Authority deposits with the Trustee a sum sufficient to pay all principal or Accreted Value of the Outstanding Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee will have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will have been made therefor, then the holders of at least a majority in aggregate principal or Accreted Value amount of the Bonds then outstanding, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default. See Sections 1203 and 1204 in Appendix D.

Bondholders' Direction of Proceedings. The holders of a majority in principal amount of the Bonds then Outstanding will have the right to direct the method of conducting all remedial proceedings to be taken by the Trustee, provided that such direction will not be otherwise than in accordance with law or the 2016 Master Resolution, and that the Trustee will have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders; Rights of Credit Facility Providers.

(a) The Owners of the majority in aggregate principal amount or Accreted Value of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the 2016 Master Resolution, provided that such direction shall not be otherwise then in accordance with law or the provisions of the 2016 Master Resolution, and provided that the Trustee shall have the right to decline to following any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

(b) Upon the occurrence and continuance of an Event of Default, a Credit Facility Provider then providing a Credit Facility for all or a portion of the Outstanding Bonds of a Series shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Outstanding Bonds secured by such Credit Facility, provided however, that the Credit Facility Provider shall have no such rights and its consent shall not be required if such Credit Facility Provider has failed to make a payment properly demanded under its Credit Facility and/or is insolvent.

LITIGATION

Upon the delivery of the Series 2016A Bonds, the Authority will furnish a certificate to the effect that, among other things, there is no litigation pending in any court to restrain or enjoin the issuance or delivery of the Series 2016A Bonds, or in any way contesting the validity or enforceability of the Series 2016A Bonds, the 2016 Master Resolution or any Bonds or money pledged under the 2016 Master Resolution.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Authority of the Series 2016A Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. The proposed form of the opinion of Bond Counsel is included herein as Appendix A.

Certain legal matters will be passed upon for TCC by its counsel, Law Office of Kenneth E. Vassar, Anchorage, Alaska.

UNDERWRITING

The Authority offered the Series 2016A Bonds at public sale on _____, 2016. The Authority awarded the contract for the sale of the Series 2016A Bonds to Banc of America Merrill Lynch at a purchase price of \$_____ (reflecting the aggregate principal amount of the Series 2016A Bonds, plus/less a net original issue premium/discount of \$_____ less an underwriter's discount of \$_____). The Underwriter has represented to the Authority that the Series 2016A Bonds have been subsequently reoffered to the public initially at the yield or price set forth in the inside cover of the Official Statement.

The initial offering prices (or prices corresponding to the yields) set forth on the inside cover of this Official Statement may be changed from time to time by the Underwriter without prior notice to any person after the date of the sale of the Series 2016A Bonds. The Underwriter may offer and sell the Series 2016A Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the initial offering prices (or prices corresponding to the yields) set forth on the inside cover of this Official Statement.

MUNICIPAL ADVISOR

Western Financial Group, LLC has acted as financial advisor (the "Municipal Advisor") to the Authority in connection with the issuance of the Series 2016A Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Western Financial Group, LLC is an independent advisory firm registered with the Securities and Exchange Commission and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

FINANCIAL STATEMENTS

The financial statements of the Authority included as Appendix C to this Official Statement have been audited by BDO USA, LLP, independent certified public accounts, to the extent and for the periods indicated in their report thereon. Such financial statements have been included in reliance upon the report of BDO USA, LLP.

The Authority has not requested BDO USA, LLP to provide written consent for inclusion of the financial statements in this Official Statement.

TAX MATTERS [to be updated by Bond Counsel]

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Series 2016A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

Bond Counsel is also of the opinion, based on existing laws of the State that interest on the Series 2016A Bonds is exempt from taxation by the State except for transfer, estate and inheritance taxes.

To the extent the issue price of any maturity of the Series 2016A Bonds is less than the amount to be paid at maturity of such Series 2016A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2016A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2016A Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2016A Bonds is the first price at which a substantial amount of such maturity of the Series 2016A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2016A Bonds accrues daily over the term to maturity of such Series 2016A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2016A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2016A Bonds. Beneficial Owners of the Series 2016A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2016A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2016A Bonds is sold to the public.

Series 2016A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2016A Bonds. The Authority and each Borrower have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2016A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2016A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2016A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2016A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2016A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2016A Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability.

The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Series 2016A Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2016A Bonds. Prospective purchasers of the Series 2016A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Borrowers or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the Borrowers have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2016A Bonds ends with the issuance of the Series 2016A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Borrowers or the Beneficial Owners regarding the tax-exempt status of interest on the Series 2016A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Borrowers and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the Borrowers legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2016A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2016A Bonds, and may cause the Authority, the Borrowers or the Beneficial Owners to incur significant expense.

RATINGS

Fitch Ratings ("Fitch") and Standard & Poor's Ratings Services ("S&P") have assigned "___" and "___" ratings, respectively, to the Series 2016A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, One State Street Plaza, New York, New York 10004, (212) 908-0500; S&P, 55 Water Street, New York, New York 10041 (212) 438-1000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. **There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2016A Bonds.**

CONTINUING DISCLOSURE UNDERTAKING [NEEDS UPDATING AND ORGANIZATIONAL FORMATING]

Authority Continuing Disclosure Undertaking

The Authority has covenanted for the benefit of the holders and beneficial owners of the Series 2016A Bonds to provide, or to cause to be provided, certain financial and operating information not later than 210 days after the end of each Fiscal Year (currently June 30) in which any Series 2016A Bonds are outstanding, commencing in the Fiscal Year ending June 30, 2016 (each an “Annual Report”). In addition, the Authority has covenanted to provide notices of the occurrence of certain enumerated events. The Annual Reports are required to be filed by the Authority with the MSRB through its EMMA system. The specific nature of information to be contained in the Annual Report and the enumerated events of which the Authority is to give notice are set forth in the form of the Continuing Disclosure Certificate included in this Official Statement as Appendix E. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

Borrower Continuing Disclosure Undertakings

The 2016 Borrower from which the Authority is purchasing a Borrower Bond with proceeds of the Series 2016A Bonds (the “Series 2016A Borrower”) has covenanted, or will covenant, to file with the MSRB, on an annual basis, its audited financial statements no later than 210 days after the end of such Borrower’s fiscal year for the term of the Borrower Bonds and any refunding Borrower Bonds. In addition, the Series 2016A Borrower has covenanted, or will covenant, that if its bonds constitute 10 percent (10%) or more of the outstanding principal amount of the Borrower Bonds held by the Authority under the 2016 Master Resolution, such Series 2016A Borrower will execute a continuing disclosure agreement prepared by the Authority for purposes of complying with the Rule.

Beginning in 2009, the Borrowers from whom the Authority purchased Borrower Bonds were required to covenant to execute a continuing disclosure certificate if such Borrower’s bonds constituted 10 percent (10%) or more of the outstanding principal amount of the Borrower Bonds held by the Authority under the 2016 Master Resolution. Effective as of October 30, 2014, Borrowers from which the Authority purchased Borrower Bonds or refunding Borrower Bonds are required to covenant to file with the MSRB, on an annual basis, its audited financial statements no later than 210 days after the end of such Borrower’s fiscal year for the term of the Borrower Bond and any refunding Borrower Bond, as well as to execute a continuing disclosure agreement if its bonds constitute 10 percent (10%) or more of the outstanding principal amount of the Borrower Bonds held by the Authority under the 2016 Master Resolution.

In addition, the Borrower has covenanted that if its Borrower Bonds constitute 10 percent (10%) or more of the outstanding principal amount of the Borrower Bonds held by the Authority under the 2016 Master Resolution, such Borrower will provide to the Authority for inclusion in future official statements operating data and financial operation information generally of the type included in Appendix B and otherwise as may be requested by the Authority, to enable the Authority and applicable borrowers to comply with then-applicable disclosure requirements. See Appendix B.

Compliance with Prior Continuing Disclosure Undertakings [NEEDS EDITING AND UPDATING]

This is the first issuance of Bonds under the 2016 Master Resolution. Accordingly, there have been no defaults with respect to any obligated persons thereunder.

Authority Bonds Issued Under the 2005 Master Bond Resolution. The Authority previously has entered into continuing disclosure undertakings under the Rule in connection with its outstanding obligations. The Authority subsequently discovered it had not filed certain event notices in connection with rating downgrades of insurers and underlying ratings upgrades. Event notices were subsequently filed.

In addition, the Authority discovered it had not included in its annual report statistics of Borrowers similar to those found in Appendix C of its official statements, as required by prior continuing disclosure undertakings.

Such information was included in publicly available official statements prepared by the Authority every year of noncompliance for Bonds issued under the 2005 Master Bond Resolution. Such information was, however, dated on or about the date of the official statement rather than as of the end of the Authority's fiscal year end. This technical deficiency was cured and such information was filed with the MSRB.

Other Bonds Issued by the Authority. The Authority previously entered into continuing disclosure undertakings for bonds issued under its 1976 General Bond Resolution and 2010 Resolution. The Authority discovered that certain annual financial information relating to Borrowers participating in the 1976 General Bond Resolution pool and the 2010 Resolution pool had not been filed. This technical deficiency was cured and such information was filed with the MSRB. As of February 1, 2016, no bonds will remain outstanding under the 1976 General Bond Resolution. The Authority previously entered into continuing disclosure undertakings in connection with certain revenue bonds issued by the Authority. The Authority discovered certain annual financial information relating to Borrowers was not filed under the terms of such undertakings. These revenue bonds no longer remain outstanding.

General. The Authority has developed procedures to help ensure its continuing disclosure obligations are complied with in all material respects. Although there have been instances of technical deficiencies with its previous undertakings, the Authority believes it has complied in the past five years in all material respects with its previous undertakings with regard to the Rule.

Borrowers. In 2014, it was discovered that certain of the Borrowers that timely filed annual financial information in accordance with their prior undertakings inadvertently failed to associate that annual financial information with all Bonds issued and Outstanding under the 2005 Master Bond Resolution. Effective February 20, 2014, each undertaking and/or Loan Agreement executed by Borrowers includes an express requirement that such filing be linked to the CUSIP numbers for all Outstanding Bonds issued under the 2016 Master Resolution.

SOURCES OF CERTAIN INFORMATION

The Authority makes no representation as to the accuracy of the information concerning DTC, the Underwriter or the Borrowers in this Official Statement.

MISCELLANEOUS

The summaries or descriptions of provisions in the Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions, and reference is hereby made to the complete documents and materials, copies of which will be furnished by the Authority on request. The 2016 Master Resolution and the 2016 Series Resolution are included herein as Appendix D.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

PRELIMINARY OFFICIAL STATEMENT

The Authority hereby deems this Preliminary Official Statement pursuant to the SEC Rule 15c2-12 as final as of its date except for the omission of the information dependent upon the pricing of the issue, such as offering prices, interest rates, delivery date and other terms of the Series 2016A Bonds dependent on the foregoing matters.

OFFICIAL STATEMENT

The Authority has authorized the execution and distribution of this Official Statement.

ALASKA MUNICIPAL BOND BANK AUTHORITY

Deven J. Mitchell
Executive Director

APPENDIX A
PROPOSED FORM OF LEGAL OPINION

APPENDIX B
INFORMATION RELATING TO THE BORROWER

THE DENA' NENA' HENASH DBA TANANA CHIEFS CONFERENCE BORROWER

The information under this heading has been provided solely by the Borrower and is believed to be reliable. This information has not been verified independently by the Issuer or the Underwriter. The Issuer and the Underwriter make no representation whatsoever as to the accuracy, adequacy, or completeness of such information.

A portion of the proceeds of the 2016 Series A Bonds are being lent to the Dena' Nena' Henash DBA Tanana Chiefs Conference ("TCC").

TCC was organized in 1971 as a not-for-profit Alaska corporation and is the successor to the historic and traditional governing assembly of the Athapascan people of Interior Alaska. Members of TCC are limited to (i) each Alaska Native Village located in the geographic area as described in the Alaska Native Claims Settlement Act of 1971 represented by or claimed by the people of Dena' Nena' Henash (the Tanana Chiefs Conference), and (ii) the Fairbanks Native Association and the Tok Native Association (collectively, "Members"). There are currently 42 Members of the TCC, each representing TCC's constituent Native villages.

The purposes for which the TCC was organized include, among other things, the promotion of the common welfare of the Natives of Alaska and their physical, economic and social well-being. TCC was recognized as an organization exempt from taxation under Section 501(c)(3) of the Code in May, 1978. TCC's 42 member villages are spread across interior Alaska with total membership approximating 14,000 members. TCC's objectives are to provide health, social, and economic services to the members of the villages using federal, state, and local resources. TCC has had a continuing working relationship with the Department of Health and Human Services, Indian Health Service (the "IHS") and other granting agencies over the past 30 years. TCC currently manages approximately \$182 million of grant, contract, program and other revenue as of fiscal year 2015.

In 1984, TCC contracted under the Indian Self-Determination and Education Assistance Act ("ISDEA") with IHS for the operation of the Interior Alaska Service Unit ("IASU"), and is one of 8 IHS service units in Alaska. TCC has successfully provided these health services under the ISDEA contract since 1984 and is constantly improving and expanding the scope and quality of the programs under its management. Although the TCC provides a wide variety of health, economic development, social and governmental services to its member villages, health services continue to hold the largest portion of TCC's services by revenue and by employment. As of fiscal year 2015, the portion of revenue dedicated for health services was approximately \$127 million, constituting 70% of all TCC's operating revenues.

In fiscal year 2015, TCC received \$115 million in federal funding and \$10 million in State funding. The largest source of federal funding was the U.S. Department of Health and Human Services which provided \$99 million. The second largest source of federal funding was the U.S. Department of the Interior at \$12 million. An additional significant source of funds, from other than the Federal or State government, is TCC's collections of third party revenue for the provision of health care services at \$25 million.

Statement of Net Position

The statement of net position presents the financial position of TCC at the end of the fiscal year which includes all assets and liabilities of TCC. The difference between total assets and total liabilities, known as net position, is one indicator of the financial condition of TCC, while the change in net position is an indicator of whether the financial condition has improved or declined during the year. A summarized comparison of TCC's assets, liabilities and net position as of September 30, 2015 and 2014 is as follows:

	2015	2014	Change
Assets:			
Current assets	\$ 103,980,997	\$ 65,409,261	\$ 38,571,736
Capital assets, net of depreciation	80,419,749	81,409,389	(989,640)
Non-depreciable capital assets	7,081,238	6,306,477	774,761
Restricted investments – bonds	10,566,137	10,603,431	(37,294)
Other long-term assets	137,346	179,432	(42,086)
Total Assets	\$ 202,185,467	\$ 163,907,990	\$ 38,277,477
Liabilities:			
Current liabilities	\$ 24,353,023	\$ 18,017,461	\$ 6,335,562
Noncurrent liabilities	72,734,067	74,185,270	(1,451,203)
Total Liabilities	\$ 97,087,090	\$ 92,202,731	\$ 4,884,359
Net Position:			
Net investment in capital assets	\$ 22,703,043	\$ 20,434,431	\$ 2,268,612
Restricted for program use	54,132,211	44,205,819	9,926,392
Restricted for Tribal Shares	9,783,737	7,939,605	1,844,132
Unrestricted	18,479,386	(874,596)	19,353,982
Total Net Position	\$ 105,098,377	\$ 71,705,259	\$ 33,393,118

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the results of operations for TCC as a whole. Revenues, expenses, and other changes in net position are reported as either operating or non-operating. Significant recurring sources of TCC's revenue are grants, contracts, compacts with federal, state, and local agencies, and program income.

A summarized comparison of the TCC's revenues, expenses, and changes in net position for the years ended September 30, 2015 and 2014 is as follows:

	2015	2014	Change
Operating revenues:			
Grants, compact and contracts	\$ 135,299,831	\$ 130,196,478	\$ 5,103,353
Program and third party	27,539,273	21,284,533	6,254,740
Rental, contributions, and other revenue	19,041,958	670,821	18,371,137
Total operating revenues	181,881,062	152,151,832	29,729,230
Operating expenses:			
Salaries and fringe benefits	69,396,389	63,446,899	5,949,490
Professional and contractual services	32,350,708	33,992,968	(1,642,260)
Grants	10,060,175	7,979,606	2,080,569
Other (see list on page 11)	31,353,172	26,423,853	4,929,319
Total operating expenses	143,160,444	131,843,326	11,317,118
Operating income	38,720,618	20,308,506	18,412,112
Net nonoperating revenue (expense)	(5,327,500)	(3,725,433)	(1,602,067)
Change in net position	33,393,118	16,583,073	16,810,045
Net Position, beginning of year	71,705,259	55,122,186	16,583,073
Net Position, end of year	\$ 105,098,377	\$ 71,705,259	\$ 33,393,118

The Project

In 2011, TCC was the borrower and primary beneficiary of \$71,715,000 City of Koyukuk, Alaska Revenue Bonds (Tanana Chiefs Conference Health Care Facility Project) Series 2011 (the "Series 2011 Bonds"). The Series 2011 Bonds were issued to finance construction of Chief Andrew Isaac Health Center. As described below, TCC intends to refund the Series 2011 Bonds with proceeds from the Series 2016A Bonds, and to use the resulting savings in interest expense to expand and enhance the healthcare services at Chief Andrew Isaac Health Center.

The Chief Andrew Isaac Health Center was completed at the end of 2012 as an outpatient clinic, and was built through a joint venture construction project with IHS. The joint venture increased IHS revenues by over \$30 million annually to provide more services to its beneficiaries. The clinic's total square footage was based on the projected service needs for medical, dental, optometry and pharmacy needs in 2020 and included projections for new services. The new Chief Andrew Isaac Health Center has allowed TCC to (i) expand existing services: medical – family medicine, OB-Gyn, pediatrics, eldercare; dental; optometry; pharmacy; further integrate behavioral health services; and (ii) start new services: a moderate complex lab, radiology including 3D mammography and ultrasound; infusion services; physical therapy and integrative medicine services.

In the first year after the new clinic opened, the patient population seen increased by 5% and the overall number of patient encounters increased by 20%. Pharmacy volume increased by 9% and had increased an additional 10% by 2014. Optometry increased patient visits by 15%. Despite an increase in volume, wait times for routine dental care reduced by 55%. By the end of 2014 medical services had seen a 26% increase in patient visits since moving into the new clinic. Previously these patients had difficulty accessing care or sought care outside of the region.

The new clinic space has also allowed TCC to start providing services to veterans under an agreement with the Veterans Administration. This has significantly increased local access to care for 800+ veterans, both TCC beneficiaries and non-TCC beneficiaries, who were previously on the waitlist to receive care through the VA clinic at Fort Wainwright.

As noted above, the plan of finance consists of redeeming \$69.89 million outstanding Series 2011 Bonds through (a) the issuance of approximately \$43.96 million of bonds through the Alaska Municipal Bond Bank, and (b) an equity contribution of approximately \$34.64 million by TCC. The equity contribution by TCC is possible, in part, as a result of the one-time receipt of Contract Support Cost Settlements from the Federal Government. TCC

received a one-time settlement payment of \$17 million in FY 2015, and anticipates receipt of an \$11 million settlement payment in FY 2016.

The plan of finance, based on interest rates as of April 20, 2016 and estimated costs of issuance, provides estimated gross cash flow savings to TCC of approximately \$103.25 million. On a net present value basis, which excludes the impact of the equity contribution by TCC, the plan of finance yields savings of approximately \$32.95 million, or 47.1% of refunded principal. TCC intends to use such savings in interest expense to (a) retire the Series 2016A Bonds by October 1, 2024 as opposed to October 1, 2041 with respect to the Series 2011 Bonds, and (b) expand and enhance the healthcare services at Chief Andrew Isaac Health Center for its beneficiaries, as mandated by their compact with Indian Health Service. The expansion and enhancement of services, which may involve additional capital investment in the facilities comprising Chief Andrew Isaac Health Center, will allow the beneficiaries of TCC to receive (i) more healthcare services in greater proximity to their home, as opposed to travelling to Anchorage or Seattle, (ii) enhanced quality of care through the ability of Tanana Chiefs Conference to invest in its healthcare professionals and state of the art healthcare equipment.

TCC's Security and Expected Sources of Payment

The obligation of Tanana Chiefs Conference to repay the financing from the Alaska Municipal Bond Bank will be a general corporate obligation Tanana Chiefs Conference secured by an interest in (a) a first and sole mortgage on the Chief Andrew Isaac Health Center pursuant to a Deed of Trust, (b) Health Care Revenues, excluding Restricted Funds, and (c) General Revenues, excluding Restricted Funds, pursuant to a Security Agreement.

Payment of the proposed financing by the Alaska Municipal Bond Bank will be from (a) Health Care Revenues and (b) General Revenues of Tanana Chiefs Conference, in each instance excluding Restricted Funds. Tanana Chiefs Conference will covenant to pay debt service on the proposed financing by the Alaska Municipal Bond Bank, prior to paying any and all costs and expenses, including but not limited to, operating expenses and maintenance costs.

Tanana Chiefs Conference will covenant to deposit or cause to be deposited all Health Care Revenues into a Health Care Revenues Account held by a Depository as received, which shall be subject to a control agreement in favor of the Alaska Municipal Bond Bank. Absent an Event of Default, before any other withdrawal is made, the Depository shall withdraw from the Health Care Revenues Account, from Health Care Revenues and transfer to the Trustee for deposit to the Borrower Debt Service Subaccount held by the Trustee under the Bond Resolution, an amount sufficient to fund on a monthly basis, one-sixth of the next interest payment and one-twelfth of the next principal payment due to the Alaska Municipal Bond Bank, the amount, if any, required to make the balance in the Borrower Reserve Account equal to the reserve requirement required to be maintained pursuant to the 2016 Loan Agreement, and the Health Care Revenues received for the balance of such month will be provided to Tanana Chiefs Conference.

Since Chief Andrew Isaac Health Center has been open for three years and no material additional healthcare services are anticipated in the next three years, it is expected that financial performance for the next three years will be similar to the financial performance of Tanana Chiefs Conference for its fiscal year ending September 30, 2015. While on-going operations are expected to be comparable in performance to the fiscal year ending September 30, 2015, the one-time receipt of Contract Support Cost Settlements from the Federal Government (\$17M in FY 2015 and \$11M in FY 2016, as noted above) positively impacted FY2015 and will positively impact FY2016.

APPENDIX C

**FINANCIAL STATEMENTS OF THE
ALASKA MUNICIPAL BOND BANK AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015**

APPENDIX D
2016 MASTER RESOLUTION
AND THE 2016 FIRST SUPPLEMENTAL RESOLUTION

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

DTC AND BOOK-ENTRY SYSTEM

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2016A Bonds. The Series 2016A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2016A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating from Standard & Poor’s of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2016A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2016A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016A Bonds, except in the event that use of the book-entry system for the Series 2016A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2016A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016A Bond documents. For example, Beneficial Owners of

Series 2016A Bonds may wish to ascertain that the nominee holding the Series 2016A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the Series 2016A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Bank or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2016A Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2016A Bond certificates are required to be printed and delivered.

10. The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016A Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

**Alaska Municipal Bond Bank
General Obligation (2016 Resolution) 2016 Series A**

Financing Schedule

APRIL						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Key to Participants:

- AMBBA = Alaska Municipal Bond Bank Authority
- BBFA = Financial Advisor (Western Financial Group)
- BBBC = Bond Counsel (Orrick)
- UW = Bank America Merrill Lynch
- UC = Underwriter's Counsel (K&L Gates)
- Tanana Chiefs Conference FA = Hilltop Securities
- Tanana Chiefs Conferene BC = Law Office of Kenneth E. Vassar, LLC
- WG = Working Group (All of the Above)

Wed-Apr-13-16	Distribute updated financing schedule	BBFA
Wed-Apr-13-16	Working Group Conference Call	WG
Mon-Apr-18-16	Distribute 3rd draft of POS	UC
Mon-Apr-25-16	Comments on 3rd draft of POS	WG
Thu-Apr-28-16	Draft POS, supplemental materials provided to AMBB for Board Packet	BBFA, UC, BBBC
Thu-Apr-28-16	Distribute POS, Bond Resolution, Loan Summaries to rating agencies	BBFA
Mon-May-2-16	Distribute final draft of POS to WG	UC
Thu-May-5-16	AMBB Board Meeting to approve Resolution	WG
Week of May 9 - May 13	Rating agency presentations	AMBBA, BBFA
Tue-May-10-16	Comments on final draft of POS	WG
Thu-May-12-16	Due diligence call	WG
Mon-May-16-16	Receive ratings	AMBBA, BBFA
Mon-May-16-16	Post POS to internet	UC, UW
Wed-May-25-16	Bond Sale/Pricing	AMBBA, BBFA, TCCFA, UW
Thu-May-26-16	Distribute draft Final OS	BBFA
Fri-May-27-16	Comments due on Final OS, deliver Final OS to printer	WG
Fri-May-27-16	Transcript preparation begins	BBBC, TCCBC
Fri-May-27-16	Closing documents distributed to WG	BBBC, TCCBC
Tue-Jun-7-16	PRE-CLOSING IN SEATTLE	WG
Wed-Jun-8-16	CLOSING IN SEATTLE	WG

Alaska Municipal Bond Bank
General Obligation Bonds
2016 Series A
Distribution List

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General Obligation Bonds
2016 Series A
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WESTERN
FINANCIAL
GROUP

\$59,595,000 General Obligation Bonds, 2016 Series Two

Deven Mitchell
Executive Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

April 26, 2016

Dear Deven:

With the sale of the Alaska Municipal Bond Bank's General Obligation Bonds, 2016 Series Two on April 12, 2016 I have prepared this sale results summary.

The bonds were sold by competitive sale to Wells Fargo Bank. The Bond Bank received a total of 9 bids for the Bonds, which were sold via the Parity internet platform. The Bonds carry a true interest cost of 2.6756%. This TIC reflects the low interest rates that continue to characterize the fixed-income markets. Wells Fargo purchased the Bonds with an underwriter cost of \$8.772/\$1,000. For comparison, the table below summarizes the true interest costs, average life and underwriter costs of recent Bond Bank issues.

Issue	TIC	Average Life	Underwriter Cost (per \$1,000)
2016 Two	2.6756%	11.166	\$8.77
2016 One	2.5574	10.493	5.16
2015 Three	3.6984	18.153	3.56
2015 Two	3.6255	11.732	3.03
2015 One	2.7652	8.173	2.90
2014 Three	3.3368	13.214	3.09
2014 Two	3.7806	18.742	2.75
2014A One	3.5484	12.374	2.94
2014B One	2.2643	4.318	2.52
2013 Three	4.1274	16.753	3.19
2013 Two	3.4048	11.843	3.20
2013 One	3.6056	17.671	3.15
2012 Three	1.7607	6.387	4.50
2012 Two	2.1554	7.149	4.50
2012 One	1.5210	4.928	3.50

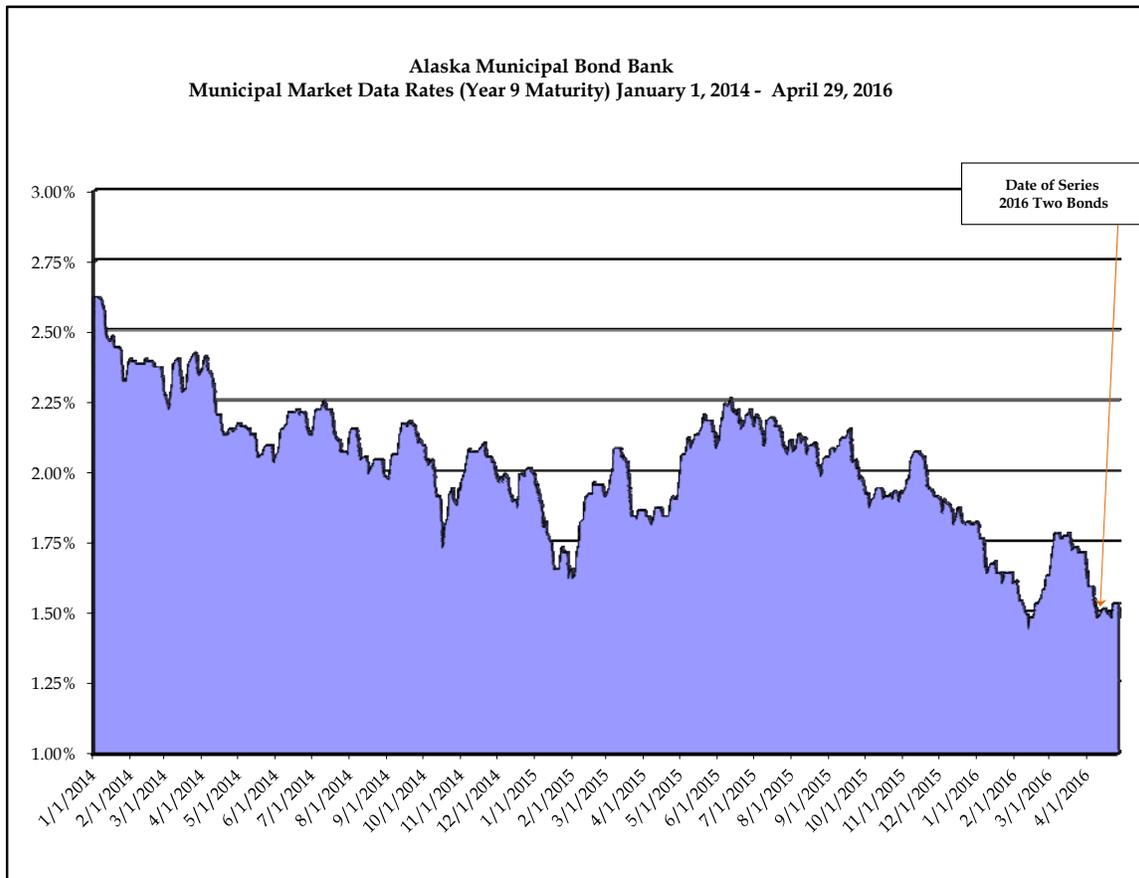
Phone: (503) 719-6113
3300 NW 185th Ave.
Suite #270
Portland, OR 97229

The table below summarizes the bids submitted on the morning of April 12th.

Firm	TIC Bid	Basis Points Over Winning
Wells Fargo	2.640%	---
R.W. Baird	2.642%	0.2
RBC	2.664%	2.4
Morgan Stanley	2.679%	3.9
Fidelity	2.716%	7.6
Citigroup	2.751%	11.1
Goldman Sachs	2.826%	18.6
JP Morgan	2.860%	22.0
Bank America Merrill Lynch	2.901%	26.1

From early 2014 through the end of 2014, rates followed a downward seesaw pattern that resulted in an overall decline of as many as 100 basis points. From mid-January 2015 rates increased 50-70 basis points by early summer 2015 in reaction to an improving economy and the consequent concerns about coming Federal Reserve rate actions. Since last summer, rates have declined, returning to their lows levels in three years.

The graph below presents the yield on the nine-year maturity of a AAA rated bond according to Municipal Market Data. As the graph demonstrates, the past two years have been characterized by fluctuations in the yields of highly rated bonds, with rates currently at their lowest levels since 2013.



The tone of the municipal bond market leading up to the sale was good. Tax-exempt rates followed a generally declining pattern from June 2015 through the present. From late last spring to early February, rates fell approximately 65 basis points. Rates then moved higher by approximately 30 basis points by mid-March, but then returned to the low levels of early February by the time the 2016 Two Bonds were sold. The excellent results of the 2016 Two Bonds came despite the fact that the rating agencies continue to have concerns about the State’s credit rating.

The Bonds were re-offered to the public at yields that ranged from 0.67% in 2016 to 3.14% in 2035. The re-offering yields generated a premium of \$6,722,344.35. The reoffering yields ranged from 19 to 105 basis points higher than the Municipal Market Data AAA rate scale for the market close on April 12th.

The results of the 2016 Two sale continued a trend first observed with the sale of the 2016 One Bonds and reversed a trend that began with the 2015 One Bonds in which Bond Bank bonds were trading on a wider basis compared to the MMD AAA index. Credit spreads began widening for Bond Bank bonds as a result of credit concerns surrounding the State budget deficit. In addition, rating downgrades and negative outlooks continues to cloud the market for Alaska credits. Despite that, the Bond Bank saw aggressive pricing on its 2016 Two Bonds.

The table below presents the AMBB and MMD scales for sample maturities of the 2016 Series Two Bonds with a comparison to the yield spreads to the MMD for the 2014 Series Two through the 2016 Series One Bonds. The yields have been adjusted to reflect the “yield kick” associated with callable premium bonds. The yield kick reflects the yield of a premium bond assuming that bond is called at its first call date, rather than maturing at the stated maturity date. Callable premium bonds are priced to the earliest call date, so the yield associated with the first call date is a more accurate measure of the true yield facing issuers, and allows an apple-to-apples comparison of discount, par and premium bonds.

	MMD (4/12/16)	AMBB (2016 II Bonds)	Difference (2016 II Bonds)	Difference (2016 I Bonds)	Difference (2015 III Bonds)	Difference (2015 II Bonds)	Difference (2015 I Bonds)	Difference (2014 III Bonds)	Difference (2014II Bonds)
Year 1	0.63	0.82	.19	.30	.37	.00	.10	.02	.10
Year 3	0.83	1.11	.28	.24	.36	.33	.19	.07	.15
Year 5	1.07	1.41	.34	.34	.46	.40	.27	.13	.19
Year 8	1.46	1.82	.36	.39	.60	.50	.37	.19	.24
Year 12	1.84	2.42	.58	.72	1.05	.87	.89	.61	.55
Year 14	1.96	3.01	1.05	.81	1.17	1.01	.91	.80	.65
Year 15	2.03	2.97	.94	.84	1.26	.95	1.01	.86	.68

The proceeds of the 2016 Series Two Bond sale were provided to two borrowers: the City of Ketchikan; and Fairbanks North Star Borough. The loan to Ketchikan was used to refund the City’s remaining maturities from the Bond Bank’s 2005 One Bond issue. The loan to Fairbanks North Star Borough was used for school improvements in the Borough.

In addition, liquidated assets of the Bond Bank’s 2005 Resolution Reserve were used to pay off the remaining reserve obligation associated with the 2005 One Bonds and to purchase a surety for the additional reserve requirement associated with the 2016 Two

Bonds. The table below summarizes the estimated present value savings achieved by the participants to the 2016 Series Two sale. In the case of Ketchikan, the savings reported are actual savings as a result of the refunding.

Borrower	Loan Par	Gross Savings	Present Value Savings
City of Ketchikan	2,295,000		33,352
Fairbanks North Star Borough	57,300,000	611,500	481,300

The bond sale closed on April 21st in Seattle. As always, it was a pleasure to serve the Bond Bank on this transaction. If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Pierce". The signature is stylized and includes a horizontal line extending to the right.

Chip Pierce



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TO: AMBBA Board Members **DATE:** April 27, 2016
Mark Pfeffer, Pam Leary, Luke Welles,
Gregory Gurse, Michael Lamb

FROM: Deven Mitchell, Executive Director **TELEPHONE:** 465-3750

Following are updates on items not covered in the May 5, 2016 Agenda:

On March 24, 2016 I spoke with the Mayor of Unalaska regarding the funding needs of their port project.

Yukon Kuskokwim Health Corporation - On March 29, 2016 YKHC signed a Joint Venture Agreement with the Indian Health Service that will result in over \$80 million in additional funding for YKHC, the equivalent of almost 550 full time employees. This more than doubles the existing funding of approximately \$72 million. On April 15, 2016 myself, Mr. Pierce, and Ms. Barry met with representatives of AIDEA, USDA, Goldman Sachs, Citibank, JP Morgan, the Attorney General's office as well as additional various counsels or financial advisors for these entities. We expect YKHC to be submitting an application to the Bond Bank in the coming month. One of the major final issues that they are working towards resolution on is how to fund the construction cash flow on the project as the USDA \$168 million loan cannot be closed until the facility is complete. Additional issues relate to the interaction between the various lenders and how to comply and conform to a variety of lending requirements and restrictions.

On April 20 and 21, 2016 I participated in the pre-closing and closing of the 2016 Two bonds of the Bond Bank. The Fairbank's North Star Borough finance Director Debbie Brady indicated that the Borough was generally pleased with this initial use of the Bond Bank. Future use will be dependent upon the Bond Bank's credit rating compared to the Borough's and the correlated cost of capital for the options. During the closing Mr. Pierce and I were also able to meet with the City of Ketchikan Finance Director Bob Newell to discuss the \$2 million harbor loan that was pulled from the 2016 Two pricing late in the schedule due to potential tax concern. Mr. Newell is waiting on final tax analysis and will be planning to issue through the Bond Bank in the fall. The closing gathering also provided an opportunity for the working group for the proposed 2016 Series A bonds to convene and work through documents.

Finance Director Williams will be attending the Spring AGFOA conference from May 11 to the 13th. As an AGFOA board member and active participant in the planning and implementation of the conference it is critical to maintain his physical participation in the conference to foster communication and networking with community officials.



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Travel memos were provided to the DOR Commissioner in compliance with the Governor's travel policy for the closing of the 2016 Two bonds as well as for trips associated with the 2016 A and potential 2016 B bonds.